Daily Report

Latin America

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FBIS-LAT-91-053 *19 March 1991*

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Proceedings of Central America-EC Conference

Talks With Guerrillas Supported

PA1803201991 Panama City ACAN in Spanish 1826 GMT 18 Mar 91

[Text] Managua, 18 Mar (ACAN-EFE)—The conference between Central America and the European Community (EC) that opened today in Managua supports the negotiations between the Governments of El Salvador and Guatemala with the guerrillas of the respective countries to bring an end to the armed conflicts that affect the two countries. The draft resolution, to which ACAN-EFE gained access, urges the governments and guerrillas of both countries to "secure a total cease-fire" through peace agreements.

The conference, which was opened today by Nicaraguan President Violeta Chamorro and will end tomorrow, has gathered together the foreign ministers of Central America, the EC, Panama, Mexico, Venezuela, and Colombia.

The resolution, which according to sources at the conference will undergo few changes, expresses the ministers' "satisfaction" with the negotiations that are taking place between the Salvadoran Government and guerrillas, under the mediation of the United Nations, to "bring an end to the armed conflict through the intensification of dialogue."

The draft resolution comes out in favor of "an agreement to end the armed conflict in El Salvador and therefore will lead to the reintegration of the members of the Farabundo Marti National Liberation Front (FMLN) into their country's peaceful life amid a climate of mutual security and respect for human rights."

As for Guatemala, the ministers view as "favorable" the progress achieved in the negotiation between the government of Jorge Serrano and the Guatemalan National Revolutionary Unity (URNG). The draft resolution notes that the objective of dialogue "in Guatemala must be to establish a lasting and firm peace, consolidate the democratic system, and achieve complete social justice and the guarantee of human rights."

Simultaneous with the holding of the conference, Salvadoran guerrilla leaders presented a proposal in Managua that seeks to accelerate negotiations with the government of Alfredo Cristiani. According to the proposal, the FMLN accepts for the first time a simultaneous or "parallel" focus of the three principal topics under discussion: demilitarization, the constitutional reforms, and a cease-fire, which indicates that an end to hostilities might be achieved before the negotiating process concludes.

The EC will study the possibility of aiding El Salvador in the "implementation of programs to create jobs and to favor the reintegration of demobilized irregular groups."

The foreign ministers urge the guerrillas to "join the constitutional processes" and call on the governments to "promote and extend economic, social, and security conditions that allow the integration" of former guerrillas into civilian life. They also urge an "end to all armed actions aimed at the civilian population."

Chamorro Opens Meeting

PA1903011191 Managua Domestic Service in Spanish 1658 GMT 18 Mar 91

[Speech by Nicaraguan President Violeta Barrios de Chamorro to inaugurate the San Jose VII Meeting at the Olof Palme Convention Center in Managua—live]

[Text] His Excellency Mr. (Jacob), chairman of the EEC ministers; Your Excellencies, Foreign Ministers of the EEC; Your Excellencies, Foreign Ministers of Colombia, Mexico, and Venezuela; Your Excellencies, Foreign Ministers of Central America and Panama; Your Excellencies, EEC authorities; Messrs. Presidents of the state branches of Nicaragua; Mr. Virgilio Godoy, Vice President of the Republic of Nicaragua; Your Excellencies, Messrs. Ambassadors of friendly nations; Messrs. members of the delegations; Messrs. members of the Nicaraguan Government; Messrs. special guests; ladies and gentlemen:

The Nicaraguan Government and people feel extremely happy to welcome and serve as hosts to the foreign ministers of the EEC member states and to the secretary of the EEC Commission. The participation of such an important representative from the EEC in the seventh ministerial meeting at Managua is tangible proof of the sincere interest that the EEC and Latin American countries have in strongly supporting the Central American economic integration process.

The sacred principles of peace, harmony, liberty, and full exercise of democracy must be defended with determination and strength by the six Central American governments, which were freely chosen by the people in elections that were fully guaranteed by the international community. The hopes for a full enforcement of democratic rights are shared by the vast majority of the people in the world. They are now shared by all of Europe, which rose from the ashes of World War II and has again become a model par excellence of a society based on the principles of peaceful coexistence which creates high scientific, technical, and spiritual values.

The member states of what will become a united Europe in the near future are the same states that previously confronted each other in bloody wars, divided by their language, customs, and cultural characteristics. These characteristics were forged by millions of years of history, and their differences were artificially emphasized by suffering caused by a dominant and selfish nationalism. Modern Europe is, on the contrary, a model of community coexistence; an example of universal virtues; and a region where an authentic and shared democracy,

the broadest tolerance for different ideas, and the greatest respect for political pluralism are exercised on a daily basis.

Given this example of political and social achievements, most of the developing nations, including our small Central America, see in Europe an example worthy of being followed, particularly referring to the efforts exerted to achieve the goal that is a vocation for our five countries—meaning the integration of a Central American unity. In fact, the search for a new Central American national identity goes back practically to our countries' independence from Spain early in the previous centuries, but it gathered momentum in the 1940's, when the integration program began. Its main example was the creation of the Central American Integration Market in 1960. Within this context, the Central American countries have been pioneers in Latin America's subregional integration plans. The first economic integration agreements in Central America were signed in 1950, much earlier than the Rome Treaty, which resulted in the European economic integration.

We acknowledge, however, that over the last decade, instead of continuing to advance in the formation of the Central American economic, cultural, and social community that we began in the early seventies and confirmed through the recent economic summit in Punta Arenas, we suffered gigantic setbacks on the path to integrated development that we had covered in previous decades.

I want to point out that the rupture of the Central American regional plan was caused by circumstances beyond the control of the Central American governments and people. Those circumstances occurred at a historically bad time for our people and turned this once prosperous region into an area worthy of much criticism throughout the entire continent. Those circumstances, particularly the political ones, stood in our way and prevented us from reaping the fruit of our regional integration and development.

There were several factors which caused the crisis suffered by our region since 1979 until today, such as the impasse characterizing the countries of the area, except for Costa Rica, regarding political development. That is, in the prosperous years following the Second World War until the early seventies, we neglected the organization and effective functioning of political parties and other forms of expression of the people's will. Thus, when times of scarcity arrived, instead of having orderly changes of government in the region, we succumbed to disorder and violence. We passed, without any transition phase, from dictatorial regimes on to totalitarian political systems.

Another great cause of the crisis was the negligence of our people's social development. We thought that economic growth would bring an increase in riches and income to society's poorest sectors. In this way and in time, all of society would benefit from growth and welfare. This optimistic goal was not realized in Central America or in the rest of Latin America. Then the worldwide economic recession struck us in the eighties, and that was aggravated by the fact that the prices of Central American exports dropped much more than the prices of other international goods. At that time, our countries began using credit from abroad. This credit was easily acquired because of the excessive liquidity of the large, international commercial banks. This produced an uncontrollable amount of foreign debt over a very short time period. We must also consider the considerable drop in the GNP and in exports over that same time period. On top of that, there was an explosion of social discontent that had been repressed over a long time; the state of public finances was so serious that no adequate response could be given to the social demands.

Thus, as our societies' cult to liberty grew—according to the recent expression used by Peruvian writer Vargas LLosa—and as there were no correctly organized political parties through which the currents of political opinion could be expressed in a natural way, the result was the establishment of violence.

This brought about the collapse of the government, which had very weak claims to legitimacy, and the emergence of new forms of tyranny, as I said earlier.

Today, intent on strengthening our democratic process and our social and economic development, the Central American region asks the EEC for commercial treatment which is at least similar to that being received by other Latin American countries.

Foreign ministers of Colombia, Mexico, and Venezuela: It is not out of courtesy that I express the feeling of satisfaction that your presence in our dear city of Managua brings us. You represent three countries that are linked to ours by strong ties of friendship and gratitude. Each one of your countries has always individually and jointly kept its arms open to our peoples and governments, especially when we suffered the dark storm of civil war and extreme shortages.

Since 1983 you have toured our five capital cities to sow the idea of peace and the need for harmony among the parties involved in the conflict that included the establishment of the Contadora Group, which held many meetings and made many efforts.

The encouraging voice of your respectable governments and your petroleum supplies under preferential conditions for our needy people are examples of your generosity that will be registered in the pages of Central American history and in our hearts.

This is why we are deeply thankful to you and hope that this warm relationship will continue in the coming years—years that we hope will bring an overall revival of our economy and sustained prosperity for our people.

I wish to make special mention of the Mexican Government and people represented by President Carlos Salinas

de Gortari. His initiative to hold a summit of Central American and Mexican presidents in Tuxtla Gutierrez, State of Chiapas, opened for us encouraging horizons for mutual cooperation in the political, economic trade, and cultural areas.

The invitation made by President Salinas on that occasion to establish a free trade zone that would join the territories of the six isthmian countries and the United Mexican States opened a very broad door to the growth of our trade.

This will also help in the transfer of modern technology, an area in which Mexico occupies an important place among recently industrialized nations. For Central Americans, that invitation poses an important challenge for the upgrading of our economy and trade and to accelarate programs to reorganize and modernize our productive apparatus.

We hope to continue to enjoy broad cooperation with Mexico in all these areas and also with Colombia and Venezuela, the fatherland of Simon Bolivar, whose President Carlos Andres Perez has been a loyal friend and promoter of peace and democracy among our Central American peoples.

Foreign ministers of Central America and Panama: I am making a special address to you at this point of my message, because we share a home and are all hosts to the other distinguished participants who came here from beyond our maritime borders. In greeting you, I wish you great successes in the tasks that you are about to embark on in this conference.

I wish to once again voice the profound determination of Nicaragua to ensure that the paths that we have followed since the very first meetings in Esquipulas will in the future continue to materialize our wishes to increasingly turn Central America into a region of peace and harmony. In the same way that we have been consolidating peace, I hope that that in a majority of the Central American territory, we will be able to strengthen peace through our efforts to promote the economic and social development of our peoples.

On that path you will find the Nicaraguan Government and people determined to make any sacrifice to attain such noble aspirations. We have worked with courage and are inspired by reconciliation. We ended a war and are now making efforts to promote a sustained economy as an important factor for the stability of our democracy.

Finally, I reaffirm to all of you the wishes of my government, inspired by the greatest spirit of harmony and high hopes, for the success of this assembly. I hereby declare the San Jose VII ministerial meeting open. Thank you very much. God bless you. [applause]

Mexico's Solana Gives Address

PA1903032191 Managua Domestic Service in Spanish 1820 GMT 18 Mar 91

[Speech by Mexican Foreign Secretary Fernando Solana, representing the Group of Three—Colombia, Venezuela, and Mexico—at the San Jose VII Conference, in Managua—live]

[Text] Mrs. President of Nicaragua, Mr. President of the EEC, Messrs. Ministers from the Central American countries and the EEC, Messrs. Foreign Ministers and delegates of Venezuela and Colombia, Mr. Representative of the European Parliament, Mexican colleagues, ladies and gentlemen: It is a privilege for me to address this forum in representation of the Group of Three—Colombia, Venezuela, and Mexico.

The dialogue on politics and economics between Central American and European ministers, within the framework of a cooperation program that has been functioning for seven consecutive years now, represents an examplary phase of the complex North-South relationship. The obstacles created by large geographic distances and different development levels are being overcome at this meeting.

The Group of Three countries cheer on this dialogue and are happy to be here. We feel that the most difficult days of the region are now behind us. Peace and calm is gradually returning to Central America as political processes prevail over war and violence. We regret that conflicts persist in El Salvador and hope that the negotiations being promoted by the Secretary General of the United Nations will lead to a just and lasting peace and promote national reconstruction.

In Central America there are great political challenges and overwhelming economic and social deficiencies. It is difficult to consolidate peace and calm without economic and social development. This is why this transatlantic meeting of cooperation is very important. Economic adjustment and transformation processes initiated by the Central American states deserve serious and firm support from the international community.

For historic and geographic reasons, Colombia, Mexico, and Venezuela maintain close relations with the region. When the Contadora Group fulfilled the objective for which it had been created, Colombia, Mexico, and Venezuela decided to join efforts once again to help face the new challenges of the region.

In February 1989, on the occasion of the fifth meeting of Central American and EC ministers, Colombia, Mexico, and Venezuela announced the creation of the Group of Three.

At the San Jose VI meeting in Dublin, in April 1990, the Group of Three announced its two main objectives: to promote the integration of the three countries and to coordinate the group's cooperation for Central America and the Caribbean.

Integration efforts are slow and difficult. The work by the Group of Three has implied holding many meetings, at various levels and with many sectors, to be able to make progress in the preparation of plans to complement each other's efforts.

Right now our group is working systematically on seven areas: energy, commerce, communications and transport, culture, tourism, finance, and cooperation with Central America and the Caribbean.

In this process, as the Dublin document establishes in its objectives passage, the search for joint efforts to strengthen our cooperation with Central America has been a permanent issue on our work agenda.

Based on bilateral cooperation agreements between the three countries and the region, we have worked on plans to join efforts and we have made progress analyzing and establishing projects. We have been able to work. For example, in the energy field, we have worked for future electric intercommunication, and in the commercial field we have reached agreements aimed at creating a free trade zone by December 1996.

We realize that for economic, technological, and cultural cooperation with Central America to produce significant and lasting results, this cooperation must be complemented with broader measures, such as the creation of a free market.

The agreements signed in Tuxtla Gutierrez in January by the presidents of Central America and Mexico cover the fields of education, culture, technology, and economic cooperation. These agreements establish the specific framework for free zone commerce between Mexico and the Central American countries.

Colombia and Venezuela, which were represented at the Tuxtla Gutierrez meeting by their foreign ministers, are trying to reach similar agreements.

In Tuxtla Gutierrez, it was agreed to convoke a summit meeting of Central American and Group of Three presidents. This meeting will take place in early 1992 in Caracas. It will permit a continuation of the dialogue at the highest level and an exchange of ideas on how much has been achieved, on what the objectives will be, and on what new actions should be implemented.

Our closeness to Central America is not only of a geographic nature. We share a history and a culture. Our economic indicators may show different figures but the nature of many of our problems is not different. We also have common goals.

These affinities do not fade in the face of other integration processes. On the contrary, such processes encourage and permit complementing roles. If the Central American products have easier access to European markets, this would open good perspectives and new recovery possibilities for all the countries of this region.

The Group of Three believes that this issue is of vital importance, not only for the Central Americans but also for this entire region of America.

Ladies and gentlemen: The dialogue between the Central American and EEC ministers that begins today proves, first of all, that Europe is willing to assume its economic responsibility and its political role at the world level. It also proves that Central American integration processes facilitate closer relations with other areas.

The presence of the Group of Three at this forum as a cooperating group is proof of our decision to assume our responsibilities as countries that are neighbors of Central America.

The ever changing nature of the international system requires and permits more dynamic economies. Joint efforts, adequately coordinated and executed, will provide excellent results for everybody.

The representatives of the Group of Three are happy with the celebration of this seventh meeting between Europeans and Central Americans and feel honored to participate in this forum as representatives of cooperating countries. [applause]

Cuba

Persian Gulf War Effects on Latin America Viewed

PA1903034991 Havana International Service in Spanish 0127 GMT 9 Mar 91

["Our America" commentary read by Fernando Alcorta]

[Text] Few people dare to predict the impact that the Persian Gulf war will have on Latin America, at least while the euphoria of the U.S. Government lasts. People agree, however, that the conflict will have a great impact, both economically and politically, in our hemisphere because the countries will have to bear an important part of the cost of the conflict and will have to suffer from the overwhelming hegemonic influence of the victorious empire.

Without doubt, President George Bush used all his modern war machinery against Iraq to show the world his enormous military strength. In that show of force, however, a message was also sent to the nations of the so-called Third World, which include those of Latin America.

Shortly before the Persian Gulf war began, the United States was already intensifying its economic plans aimed at the Latin American and Caribbean countries. The Initiative for the Americas is a good example because, despite the rhetoric that it is advisable for our nations to have free trade with the United States, it is no secret that the greatest benefits will be for the northern country.

To open an interesting market where the United States can sell its products and export its technology is something more than an exciting project. It especially constitutes a solution to the crisis suffered by the country for the past several years, a crisis to which has been added the enormous costs of the war.

In the area of politics, the United States' triumphant attitude and the expressions of victory can lead to pressures of all types or demands of support for various plans. A recent example is the request made by the U.S. President to his Argentine colleague so that the latter would change his position at the UN Human Rights Commission, resulting in the Argentine vote against Cuba.

We must point out that the vote was a notable change in the traditional Argentine position on the matter because it joined Washington's position, while the other Latin American contries abstained or voted against the U.S. initiative, which is an attempt to isolate the Caribbean island from the other nations of the area.

The end of the war in the Persian Gulf could mark the beginning of peace in the region, but the victory in the hands of the Americans is a permanent threat because it results in a greater hegemony that will be felt in the hemisphere. The Latin American and Caribbean countries must be on the lookout for this threat.

Argentine Stand at UN Rights Commission Noted

PA1803192991 Havana International Service in Spanish 0100 GMT 14 Mar 91

["Our America" commentary read by Manolo Ortega]

[Text] This seems to be the time for strange and paradoxical alliances. The most recent example of this, which still surprises most Latin Americans, is Argentine President Carlos Menem when he accepted a U.S. Government request and voted against Cuba at the UN Human Rights Commission.

Without publicly acknowledging it, the Argentine Government seems determined to obtain some financial benefit by this attitude, which is being repudiated by its countrymen within and outside of the country, as well as by other nations.

The Argentine president appeared to be looking for some kind of benefit when he ordered approximately 400 troops to the Persian Gulf aboard two warships that remained in the region the whole time the conflict lasted.

It would be appropiate, however, to ask what benefit is expected from the ever-growing arrogant world power. Throughout the centuries, this power has only brought our countries misfortunes, such as repeated armed interventions, irreparable looting of natural resources, submission to the transnational companies, and, in sum, an underdevelopment that destroys the present and mortgages the future.

There is another question: What benefits could the U.S. banking system, with its inflexible demands and impositions that are drowning the national economy, which is already struggling due to the effects of an external debt that surpasses $60 billion, grant the Republic of Argentina? Up until now, there is no evidence that the U.S. banking system grants new loans if they are not destined to pay the same debt over which the countries are slowly agonizing. If Argentina is now considered a different case, the consideration will have been bought at a high cost.

In addition, memory has played a costly trick on the Argentine president, because it disappeared and along with it erased the harsh months of the 1982 winter, when the White House gave all the logistic support to its British partners who, with their colonialistic fury, killed dozens of young Argentine men who were freezing, hungry, and less militarily prepared when they defended the national claim to the Malvinas Islands.

Neither did President Menem remember that human rights in his country were violated with impunity during the seventies, at a cost of more than 30,000 deaths. Once again, human rights issues are hanging by a fine thread because those military officers who benefited from an executive branch pardon are once again walking the streets of Argentina, with the sick attitude of being proud of their crimes.

It is worthwhile remembering that during their years in power, the military members who were pardoned and today request honors elevated mass murder and systematic torture to a unique government method which left the country humiliated and looted and covered with bodies that were buried in clandestine graves or thrown into the sea to erase their traces. The murderers who are loose could once again violate the citizens' rights.

According to former Argentine Foreign Minister Dante Caputo, it is not possible to enter the first world by being a fickle country. President Menem, however, also forgot the old saying of the poet Jose Hernandez, when his character Martin Fierro said: Brothers must be united because that is the first law. They must have a true union at all times because, if they fight among themselves, they will be devoured by those from outside.

Vietnam Criticizes UN Human Rights Resolution

FL1503192891 Havana Tele Rebelde Network in Spanish 1800 GMT 15 Mar 91

[Text] Today Vietnam characterized the UN appointment of a special envoy to Cuba to examine human rights matters as wrong and interventionist. In a press release issued to PRENSA LATINA, the Vietnamese Foreign Ministry notes that the attitude taken is a violation of the UN Charter. The document also expresses Vietnam's support of Cuba's policy of independence and self-determination for its people. The document points out that the resolution approved in Geneva by the UN Human Rights Commission is in line with Washington's interventionist policies in other countries' domestic affairs.

International Support for Revolution Noted

FL1603154391 Havana Tele Rebelde Network in Spanish 1200 GMT 16 Mar 91

[Text] The Cuban Committee for the Defense of the Revolution in Argentina has characterized the Argentine vote against Cuba at the Human Rights Commission in Geneva as unusual. This organization's statement points out that the posture assumed by Carlos Menem's administration, fostered by the United States, breaks away from Argentine tradition.

In other news, Jorge Moreno, top leader of Ecuador's leftist Democratic People's Movement, has called for the creation of a front of global solidarity with Cuba to face the United States' increasing hostility. Moreno said in an interview for Radio Quito that after the Gulf war ended, Washington started to take political, ideological, and economic aim against Cuba in its quest to break down the over 30-year-old revolutionary process.

Castro Said To Attend Guadalajara Summit in Jul

PA1603044091 Paris AFP in Spanish 1619 GMT 14 Mar 91

[Text] Mexico City, 14 Mar (AFP)—Cuban President Fidel Castro has agreed to attend the first summit meeting of Ibero-American presidents and chiefs of state, from which "there is no reason why Cuba should be absent," Alfredo del Mazo, the Mexican coordinator of the event, stated in an interview published by the newspaper LA JORNADA on Thursday.

During his stay in Madrid, Del Mazo declared that "all Latin American countries, who share a common history and a common language," are invited to attend the high-level summit in Guadalajara, 450 km east of the Mexican capital. He added: "Language and history will determine who will attend the meeting," which will be held this coming 18 and 19 July by representatives from 23 Ibero-American countries.

Del Mazo reiterated that "there is no reason why Cuba should be absent" because an attempt will be made to engage in dialogue and "now is the moment to do so," although it is not going to be "easy."

The "summit" coordinator told LA JORNADA that "a dialogue with such multiple interests, countries with many affinities but also with many differences, is not easy. It will be a dialogue that will require a lot of political will."

He said that the presidents and chiefs of state of Ibero-America agreed to attend the Guadalajara event "with an open agenda," which is significant because it will be the first summit meeting. The Guadalajara meeting will be followed by a meeting in Spain in 1992, and in Brazil in 1993.

Del Mazo said that it is not a bipolar summit, but rather a meeting of Ibero-America, Spain, and Portugal, with a common agenda. The summit will be attended by Spanish King Juan Carlos and Spanish Prime Minister Felipe Gonzalez, among others.

Castro Tours Fields, Chats With Workers

FL1603194591 Havana Tele Rebelde Network in Spanish 1800 GMT 16 Mar 91

[Text] Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee, has verified the outstanding morale of the workers from the capital and the Western Army soldiers participating in the tomato harvest in Pinar del Rio. Castro, who is also president of the Councils of State and Ministers, toured several agricultural areas in Pinar del Rio, where he talked with mobilized workers who informed him of successes in surpassing their goals and the excellent conditions they have encountered. During an exchange of views with provincial Communist Party leaders, Fidel inquired about the progress of the tobacco crop, the food program, the water works projects, and the progress of the Cayo Jutia causeway.

Rodriguez Meets With GEPLACEA Secretary

FL1603142291 Havana Tele Rebelde Network in Spanish 1200 GMT 16 Mar 91

[Text] Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, has meet with Jose A. Cerro, executive secretary of GEPLACEA, the Group of Latin American and Caribbean Sugar Exporting Countries, who is visiting our country. During their first meeting, they discussed the group's activities, diversification projects, and ties established with African and Asian countries for the creation of similar organizations in those regions. They also discussed the future of the sugar industry and its by-products.

'Social Prevention' Organization Holds 5th Plenum

FL1503135291 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 15 Mar 91

[Report by Maribel Puerto]

[Text] The fifth plenum of the National Social Prevention and Attention Commission [name of organization as heard] was held today [14 March]. Vilma Espin, member of the Communist Party of Cuba Politburo and president of the Federation of Cuban Women, heads this organization.

The members of the National Social Prevention and Attention Commission analyzed the work done in the municipalities and provinces in dealing with criminal behavior and the solutions given by the territories to social problems. Emphasis was placed on the need to increase social attention at work centers to youths who have joined the apprenticeship movement and to give prioritized attention to former immates by guaranteeing them a job once they have completed their sentence. This is done in several provinces in coordination with the State Committee for Labor.

The subject of vocational schools prompted some of the debates. Proposals were made so that students reach a certain academic level in the future. It was fruitful to learn that not only can youths who have completed the ninth grade and are two years behind in their studies enroll in these schools, but also that the Prevention Commission can evaluate the possible admission of youths who are in a different situation. The support given by the Federation of University Students to the minors' reeducation centers and behavioral schools was noted.

The commission members discussed the search for new means of recreation for the population, the family, and especially young people. It has been shown in practice that this can be achieved with few resources. Also discussed were the possible solutions to social problems in family units, such as older people without the adequate attention and people with mental problems who roam the streets because of lack of care by the family.

During this fifth plenum of the National Social Prevention and Attention Commission, we listened to results, initiatives, and proposals for projects, and above all, a lot of willingness to reincorporate into society people with behavioral problems and those who have possible criminal attitudes. It would be very healthy for all if the support they need by the community's institutions was increased.

Inter-Caribbean Affairs

Dominican Minister Views Political Union

FL1603171591 Bridgetown CANA in English 1527 GMT 16 Mar 91

[Text] Roseau, Dominica, March 16, CANA—Dominica Minister Brian Alleyne wants to see Caribbean countries planning a political union become republics first. Referring to St. Lucia, St. Vincent and Grenada, he said: "They should give up their allegiance to the queen (of England) and they should become like us, a republic. All the four islands should become a republic with a president." According to Alleyne, the president should not only be a ceremonial head of state.

Alleyne has responsibility for foreign affairs and organisation of Eastern Caribbean States (OECS) matters. The OECS comprises the four countries, along with Antigua and Barbuda, Montserrat, and St. Kitts and Nevis. They have not yet worked out the shape the political union should take.

Alleyne wants to see a president who is an executive head of government, in the new Windward Islands Parliament, in the nature of the President of the United States of America. "I believe that that president, if he is to reflect the views of all the islands, if he is to receive the support of all the people...to be respected properly in all the islands, and to be accepted as the head of government—he should be elected by the voters of all the islands," Alleyne told a public forum this week on unity.

Apart from an election in all four islands for a president, the minister for OECS unity is proposing equality of representation in the parliaments, as well as representation based on the population of each island. "We should have...island representation. Each island should elect a given number of what I call commissioners, as island representatives. So if there is one commissioner in Dominica, there should be one for Grenada, one for St. Lucia, and one for St. Vincent," he explained. He said that the equation could cater for two, or three or even four commissioners in each island, with the main criterion being that all had an equal number regardless of population.

Alleyne acknowledged that at the same time representation had, to some extent, to be based on population. To address this, he proposes the second level of constituency representation. "The constituency representation...will be based on population. We will work out a formula for

"x" number of voters, or "x" number of population in each island will be represented by one parliamentarcloscy representative or one constituency representative," he said.

St. Lucia has the largest population in the Windwards, 140,000, with Grenada and St. Vincent each having about 100,000 and Dominica 80,000. Alleyne said the effect would be to ensure that islands with the larger populations will have a larger number of constituency representatives.

He also suggests that the president should be given the right to nominate a number of senators—"specialists whom he may not be able to obtain out of the elected representatives." He recommended "an equal number of senators nominated by the president coming from each of the islands". The president would head the cabinet which would comprise parliamentarians, while the island commissioners should not be made members of the cabinet.

Haiti

Preval Defends Legality of Court Appointments

FL1803140591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 15 Mar 91

[Excerpts] A press release dated 14 March, published by Rene Preval and received here this morning, notes that shortly after the government took office, a constitutional debate occurred in the press on the matter of Article 295. The question was whether this article was valid. Concerned about constitutionality, the executive consulted Parliament on the matter.

In response, on 7 March the legislative corps voted a law authorizing the executive to make any reforms he finds necessary in public administration or in the magistracy. The only restriction to this law is defined under Article 2, which states that the executive must make these reforms in consultation with local representatives of the territorial collectives.

Since the promulgation date of this law, the executive has had the exceptional power to determine that the application of some constitutional rules not in accordance with this law during the six-month transition period be provisionally stopped.

One must note that Article 295 of the Constitution is among the transitional provisions, short-term constitutional articles which will, after a specific period of time, be replaced by permanent articles. [passage omitted] These transitional provisions put permanent provisions of the Constitution temporarily into abeyance. Once the time period for the transitional provisions expire, they become null and void, and the permanent provisions of the Constitution again go into effect.

Article 175, which is a permanent provision of the Constitution, could not therefore hinder the application of the 7 March 1991 law. It appears illogical that after having authorized the executive to apply the transitional provisions of the Constitution, the Senate now reproaches him for breaking the Constitution.

The executive has acted in accordance with the Constitution and the 7 March law in appointing members to the Court of Cassation [the supreme court of Haiti]. [passage omitted]

Public Works Minister Explains Energy Crisis

FL1603015091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 14 Mar 91

[Excerpts] Production and the distribution of electricity in the country are a catastrophe, said the TPTC [Public Works, Transport, and Communications] minister to the Senate yesterday morning, where he appeared to explain the energy crisis. Our colleague Franckel Valentin will tell us more.

[Begin recording] [Valentin] The minister of TPTC, Engineer Frantz Verella, appeared before the Senate to explain the question of production and the distribution of electricity in the country. During the explanation he was providing to the senators, he said that production and distribution of electricity are now a catastrophe in Haiti.

In Carrefour, out of the five motors which should be providing electricity, only four are working, providing between 27 and 28 megawatts of power. At the Varreux power station, only two out of seven motors are working, providing between seven and eight megawatts of electricity. The Delmas power station produces three megawatts, for a combined total of 38 megawatts from these three power stations in Port-au-Prince. How is the situation in Peligre [where the country's most important hydro-electric plant is located]? Let us listen to Minister Verella.

[Verella] Normally, in February, the [artificial] lake is usually 165 meters above sea level, more or less. [passage omitted] Thus, we are now in a situation where the lake is at the minimum level, 153 [meters]. Nothing can be done at this level. If one gives the peasants 40 cubic meters per second so that they can irrigate, the lake will be completely dry by April. This means we will be in a such a situation that if we want to refill the lake, we will [have to] wait until May or June.

[Valentin] In view of this situation in Peligre, the officials are obliged to close the floodgate for 12 hours a day. This is to prevent the situation from becoming worse so that the peasants of the Peligre area have enough water to irrigate the gardens until May and the beginning of June.

He also said that he had approached Electricity of Haiti [EDH] officials and the union several times to inform them of the government's wish concerning production and the distribution of electricity. He also met with

foreign organizations and countries friendly to Haiti that used to provide help, such as the U.S. Agency for International Development [USAID], the Canadian Agency for International Development [ACDI], and representatives of Venezuela and Mexico, to present them with Haiti's case concerning electricity. The Haitian Government received help, which was distributed as follows.

[Verella] I presented them with the problem. [passage omitted] What were the results of these discussions? We ended with this situation: Within the scope of their cooperation with Haiti, the French financed repair of the generators in Varreux through an international organization called Central Cash for Cooperation. Then they set up training and maintenance programs. ACDI gave us the equivalent of about $1 million. USAID provided the equivalent of about $3 million through previously existing funds. We now have the equivalent of about $4 million, not including the money available for spare parts in Varreux. [passage omitted]

Until yesterday everything was going well; but yesterday we were informed that the company in Miami that was to lease us the gas turbines said it will not be able to do so because it is sending them to Kuwait because that is more pressing.

[Valentin] Minister Verella said that according to Hydro-Quebec Internationale, however, the equipment necessary to provide electricity to Port-au-Prince by the end of the month will be available. At that time, the capital will have 10 more megawatts of electricity. The remaining 15 to 17 megawatts will be ready by the end of April.

As for medium- and long-term plans being undertaken, Minister Verella stated that he will be setting up a 10-year energy policy through contacts with such organizations as the German KMW [expansion unknown], which will finance two motors for the Carrefour power station; and the World Bank, which will finance gas turbines, the distribution of electricity to all cities of more than 2,000 people, and the generation of solar energy to provide electricity in the small far-off communities. [passage omitted] [end recording]

Meanwhile, the blackout problem is harrowing for the people. There are places that spend over two days without electricity. This is a problem which has not yet found a real solution.

St. Lucia

Referendum Bill for OECS Unity Published

FL1803184291 Bridgetown CANA in English 1639 GMT 18 Mar 91

[Text] Castries, St. Lucia, March 18, CANA—A bill outlining the constitutional and legal basis for conducting a referendum on political union among members of the Organisation of Eastern Caribbean States (OECS) has been published here for public discussion.

The Referendum Act 1991, published in the official GAZETTE, is now before a joint select committee of Parliament. It is expected to serve as a guideline for amending the Constitution, or for addressing matters in which the people must be consulted.

The bill has eight parts and 76 clauses, and if approved by Parliament, will encourage the same procedures used in a general election. Clause 3 (1) allows an "elector...to vote at a referendum, where, if the referendum were as an election, he would be entitled to vote in an election."

Opposition leader Julian Hunte, a member of the select committee, says he sees the Referendum Bill as "enabling legislation," as it will establish referenda as an important aspect of democracy. He has expressed concern about provisions in the draft for jointly conducting a referendum with a general election, and for voting only in an elector's district of residence.

Clause 36 states that "where the governor general adjourns the day appointed for taking the poll at an election held jointly with a referendum to a particular day pursuant to the act, voting at the referendum shall also be adjourned to the same day."

Hunte said it was his understanding that while the referendum on political union is likely to be held on the same day in the islands concerned, the bill allows the St. Lucia Government to hold its referendum simultaneously with a general election.

Hunte has also taken issue with Clause 28 of the proposed legislation, which states that a presiding officer can reject a person's claim to vote in a district if that person has not been residing there for two months immediately before voting day. Hunte said that it meant a prospective voter may not be able to vote in a district where he is registered because he has since changed residence.

The proposed legislation sets out the manner in which votes are to be counted and also allows for the validity of any referendum to be disputed in the high courts.

St. Lucia, Dominica, Grenada, and St. Vincent and the Grenadines have already indicated their willingness to form a political union, and a Regional Constitutent Assembly (RCA) will meet here in April to further discuss the issue.

El Salvador

FMLN Presents Proposal To Speed Negotiations

PA1903004391 Panama City ACAN in Spanish 2315 GMT 18 Mar 91

[Text] Managua, 18 Mar (ACAN-EFE)—In Managua the Salvadoran guerrillas have presented a proposal to "accelerate the negotiations" with the government and achieve a cease-fire before 30 May.

The text of the proposal presented by the Farabundo Marti National Liberation Front (FMLN), to which ACAN-EFE had access through people close to the negotiations with the government, reads as follows:

On the negotiations:

1. Simultaneously discuss the three main topics of the negotiations: the Armed Forces, constitutional reform, and a cease-fire;
2. The two parties should establish commissions to implement the previous point;
3. Immediately start discussions on the cease-fire issue among military leaders of both parties;
4. Incorporate political parties and community representatives in the negotiation in the most advisable manner;
5. Make the greatest efforts to reach agreements on the constitutional reform before the current Legislative Assembly period ends on 30 April;
6. Agreements on the three main issues must be reached by 30 May, at the latest, to conclude the first phase of the negotiations with the attainment of a cease-fire and to give continuity to the negotiation.

On the cease-fire:

1. Recognize the existence of two contending military forces within the framework of a national military, territorial, and political reality;
2. Take into account the existence of geographical areas determined by the different degrees of domination of the contending military forces or by the social, political, and economic realities created by war;
3. Achieve the highest degree of demilitarization possible on national territory to give guarantees and maximize the opportunities for civilian society;
4. All political forces on national territory are to operate with guarantees that human rights will be respected and freedom of speech will be fully exercised;
5. International verfication.

President Cristiani Reacts

PA1803211591 San Salvador Radio Cadena YSU in Spanish 1730 GMT 18 Mar 91

[Report by Julio Ernesto Rodriguez]

[Text] [Rodriguez] President Cristiani has said that the proposal the Farabundo Marti National Liberation Front [FMLN] will submit to the Central American foreign ministers in Nicaragua is a copy of the document prepared by the Salvadoran Government on the Armed Forces, amendments to the Constitution, and the cease-fire.

[Begin recording] [Cristiani] First of all, this proposal is not new. I would say it is a copy because this has been the government proposal from the start. In news conference after news conference, all of you have heard us complain about the slowness in the pace of the peace process. The government has been constantly asking that the process be given greater vitality with more serious, earnest, and lengthier sessions. In sum, there should be more substantive sessions. Now they are talking about having longer sessions with different topics, but that is the proposal we made once again [chuckles] to the UN representative in his latest visit. We think the FMLN policy is to portray themselves as the goods guys, as it were, before the EEC foreign ministers, and to give the image that they are flexible whereas the government is not. That is totally false. All of you in the media have listened to the government complain time and time again about the slowness of the process. A great deal of this is caused by the lack of commitment on the part of the FMLN.

We must remember that the FMLN almost publicly stated that it was not interested in reaching agreements before the elections, because that would give the ruling party an edge in the 10 March elections. That excuse no longer exists. Even though we regard this proposal as FMLN propaganda, if this is not just talk and the FMLN begins implementing it now, we may have positive results. It does not really bother [chuckle] us that the FMLN should say that. If they are ready to give vitality to the process, then I hope they are not just talking but produce facts, because the government has been ready to reach agreements since 1 June 1989.

[Rodriguez] What is the current status of the talks?

[Cristiani] I have always thought the process has made progress. We always said this is not a simple situation. It is complex and there are obstacles. The FMLN's lack of commitment to reach an agreement before the elections is one of the obstacles that I hope has been overcome. We believe the process has advanced and now we have the opportunity to make it advance further.

[Unidentified reporter] What is your view regarding the status of the negotiations?

[Cristiani] I think they have advanced to the extent possible. I repeat, I hope the FMLN has changed its attitude. Now that the elections are over, I hope they come to work in earnest with realistic stances and an attitude that is flexible and not intransigent, as in the past.

[Reporter] I would like to know the government stance in view of the violence caused by union leaders? Union leaders threatened to begin staggered strikes in different government agencies. They are talking of strikes in nine government agencies.

[Cristiani] I find this attitude to be regretful. At the Treasury Ministry, where the problem began, the union leaders who have been calling the strike have been intransigent; who knows what other goals they have. We have always had an open attitude. We had talks with them. Many of their demands have been met on health matters. The agreement is in the hands of the accounts board to approve the contract. These employees cannot say the Treasury Ministry has been intransigent. [end recording]

Cristiani met this morning with the Onusal [United Nations Observers for El Salvador] delegation that has arrived to check conditions to establish a UN human rights office, contained in the agreement on the matter signed by the FMLN and the government in July 1990. Also attending the meeting were Deputy Public Security Minister Colonel Orlando Montano and Defense Deputy Colonel Zepeda.

Cristiani 'Pleased' With Plan

PA1903043591 San Salvador Canal Doce Television in Spanish 0305 GMT 19 Mar 91

[Passages within quotation marks are recorded]

[Text] President Alfredo Cristiani has described the FMLN's [Farabundo Marti National Liberation Front] proposal as positive; however, the president added that an exact date for peace to (?return) to the country cannot be set.

[Cristiani] "I believe that every time the process advances, we find ourselves closer to peace. How close is difficult to say. In its proposal, the FMLN gives a date; however, in September 1990 it also gave a date and no agreements were reached."

President Cristiani said today that if the proposal presented by the FMLN in Nicaragua is a serious proposal, then the government views this as a positive sign. It would represent a change on the part of the rebel commanders in light of the dialogue and negotiation process. The president added that this would surely bring peace to the country much sooner.

[Cristiani] "We heard high-ranking FMLN representatives say that they did not want to reach agreements before the elections because, according to them, this would give the ruling Arena [Nationalist Republican Alliance] party an edge. The elections have already been held, an agreement could be reached, and I hope it will be reached. We want to take the FMLN at its word, and we hope they will not let the Salvadoran people down with just another propaganda stunt, which this could be because of the forum where it was presented. There is something to this. We had asked [UN Special Envoy Alvaro] De Soto for something like this. We not only asked him this at the last meeting, but at previous meetings as well. We told De Soto that a mechanism, like the one being proposed, should be implemented. If the FMLN is serious about this, then we are pleased."

President Cristiani confirmed that Alvaro De Soto will be arriving in El Salvador on 19 March. During his visit, De Soto will confirm the date and place for the next meeting between the government and the FMLN. President Cristiani added that the latest signs to attain peace in the country are encouraging.

[Cristiani] "I repeat, we view the proposal from a positive view point if the FMLN proves that it is a serious proposal. The proposal would show that there has been a tremendous change in the FMLN's attitude, its first sign within the process after the election. I do believe that the process has advanced. In the past, perhaps for political reasons or for some other reasons, they claimed that the process had reached a standstill, that it was getting nowhere, and that the government was to blame for the whole situation. Today, however, in their document they admit that progress has been made within the peace process. I do not wish to guess how close we are to attaining peace, but I can say that as the process advances, we get closer to peace."

President Cristiani made these statements after attending the inauguration of the Forensic Medicine Institute at the Isidro Melendez Judicial Center. The inauguration event was also attended by Supreme Court president Mauricio Gutierrez Castro and other Supreme Court magistrates.

Arena Leader Admits Party Lost Assembly Majority

PA1803142491 Mexico City NOTIMEX in Spanish 2209 GMT 16 Mar 91

[Text] San Salvador, 16 Mar (NOTIMEX)—Political leader Roberto d'Aubuisson admitted today that the ruling party, the Nationalist Republican Alliance (Arena), no longer holds the majority in the Legislative Assembly, and said that in the coming assembly "political negotiations will reign."

D'Aubuisson, president for life of the Arena party, told the press that he is pleased with the preliminary results of the election, which show that, contrary to what was announced after the first vote count, no political party won an absolute majority in the national assembly.

D'Aubuisson noted that the new Legislative Assembly's structure—in which 84 deputies, 20 more than in the current assembly, will participate—"will be very interesting, there will be political agreements and negotiations."

Seven days after the elections, the Central Electoral Council (CCE) issued preliminary figures that—for the first time in this nation's history—grant participation to the left wing in the national assembly.

D'Aubuisson admitted that in these elections Arena lost 2 percent since the 1988 elections, but he argued that this does not mean that his party has lost popularity, as the opposition claims.

"In the 1988 elections, among the votes cast for Arena, there were the votes against the government of President Jose Napoleon Duarte, while today's votes are a vote of confidence and support for President Alfredo Cristiani," he noted.

Representatives from several political parties and organizations are awaiting the final election results amid protests about the delays, irregularities during the elections, and a new wave of violence.

The surroundings at the hotel, where the voting table board and the CCE authorities are installed, have been practically militarized in order to prevent new disturbances, such as those that occurred in the past few days between security and opposition forces.

Arena Leadership Claims Attack by Opposition

PA1803011091 Mexico City NOTIMEX in Spanish 2150 GMT 17 Mar 91

[Text] San Salvador, 17 Mar (NOTIMEX)—The Nationalist Republican Alliance (Arena), the ruling party, accused "guerrilla front organizations" of being responsible for the attack launched against Arena's president.

Ramon Gonzalez Suvillaga, president of the National Waterways Association and an Arena leader, said that 14 Arena members were "indiscriminately beaten with sticks by terrorist front organizations who want to discredit the democratic process."

An Arena delegation, headed by President Armando Calderon Sol, were confronted this morning by members of the Christian Democratic Party (PDC) in the city of Santa Tecla. The 10 March municipal elections were postponed in Santa Tecla until today.

According to official spokesmen, a group of PDC members attacked the delegation lead by Calderon Sol with sticks and rocks. At least 14 persons were wounded in this attack.

Gonzalez Suvillaga insinuated that there were also activists from the leftist parties: the Democratic Convergence (CD) and the Nationalist Democratic Union (UND), among the persons who attacked them.

"Who can rule out that they were not from the CD or the UND parties or that they were members of the preposterous Farabundo Marti National Liberation Front," Gonzalez Suvillaga told NOTIMEX at the hospital where the wounded were being treated.

Gonzalez Suvillaga claimed that when Calderon Sol arrived at the voting site, "he was immediately surrounded and acclaimed by party sympathizers. When leaving the voting site, however, we were confronted with that mob who violently attacked us, as if they were animals."

Gonzalez Suvillaga said that Arena will file a formal accusation before the Central Electoral Council.

Military Requests Wider Inquiry Into Jesuit Case

PA1703035991 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Mar 91

[Text] The Armed Forces High Command confirmed today that it has asked the Justice Ministry to expand its investigations into the murder of the Jesuit priests. In a communique, the Armed Forces said that there should be an expansion of the statements and testimony by officers who were assigned to the Military School and the National Intelligence Directorate in November 1989.

According to the Armed Forces, the purpose of this request is to make the judicial process relating to the murder of the Jesuit priests more exhaustive. To this end, they recommended that the Criminal Acts Commission increase its efforts.

This was the Armed Forces' response to a report published in the United States to the effect that the defense minister had requested in writing that the investigations be extended to about a dozen officers who have so far not been implicated in the massacre.

Body of U.S. Adviser Killed in Accident Retrieved

PA1703035491 San Salvador Canal Doce Television in Spanish 0300 GMT 15 Mar 91

[Text] Despite all the efforts conducted by a specialized team, only one body of the five U.S. military advisers could be rescued from the Ilopango Lake today. Only one of the bodies of five U.S. servicemen who died in a helicopter accident on 25 February could be retrieved from the lake by the specialized team. The operation began at 0600 on 14 March. Although there were reports that two bodies had been rescued, this was not confirmed by members of the national Army.

[Begin recording] [Unidentified officer] Based on the altitude at which the aircraft was flying, it is possible that the main part of the helicopter became detached, which made it sink.

[Reporter] Do you know why part of the helicopter became detached?

[Officer] The helicopter is badly damaged. It is not in good condition.

[Reporter] How many bodies were rescued?

[Officer] I do not know if any bodies have been rescued, only part of the helicopter. What you saw lifted by the Chinook is what has been rescued.

[Reporter] Is access to the area of operations restricted?

[Officer] That is correct. We have been instructed not to get near U.S. Embasssy personnel, who are the only ones who have access to the area. We are only providing security around the perimeter. [end recording]

The restricted area was expanded several meters, and judicial authorities were not allowed to identify the two

bodies supposedly rescued from the lake. Today it became difficult for the press to carry out its work or to learn about the progress made by the special U.S. team. The members of the team have refused to make any statement to the press, referring us to the U.S. Embassy.

Unofficially, it was learned that the rescue operation will continue on 15 March.

Foreign Minister Accepts New UN Observer Group

PA1803192891 San Salvador Radio Cadena Horizonte in Spanish 1800 GMT 14 Mar 91

[Text] Foreign Minister Manuel Pacas Castro has confirmed the possibility that the United Nations will soon install a special office in El Salvador to verify compliance with a human rights agreement signed between the government and the guerrillas during the negotiating process. Pacas Castro said that this office will operate under the acronym Onusal [United Nations Observers for El Salvador], according to a request made to the UN Security Council by UN Secretary General Javier Perez de Cuellar at the end of 1990.

[Begin Pacas recording] At the end of 1990, the UN secretary general addressed the UN Security Council to explain the need to establish a special office in El Salvador. This office, which will operate under the acronym Onusal, will be completely independent of the traditional UN representation in our country and in all other UN member countries. Onusal will verify the compliance of agreements reached with the FMLN [Farabundo Marti National Liberation Front] as a result of the dialogue. One of the points to be verified will be the agreement on human rights. Our government has always wanted this UN mission to be here because often baseless charges of human rights violations are made. [end recording]

The foreign minister explained that the organization the United Nations intends to install in our country will operate independently of UN representations in other countries, including the special UN Observer Group in Central America, ONUCA.

Nevertheless, Pacas Castro did not reject the possibility that ONUCA as well as the new Onusal could in the future be in charge of verifying a cease-fire that the confronting parties could reach to lessen the armed conflict in our country.

[Begin Pacas recording] We believe that the same ONUCA mechanism could be used in the future to verify a cease-fire that we hope will soon be reached within the framework of dialogue with the FMLN. [end recording]

With regard to the FMLN's new actions on 12 March, during which they once again used surface-to-air missiles—downing a helicopter in the eastern part of the country and killing three crew members—the foreign minister said that up until now no specific government can be accused of supplying more missiles to the rebels. During statements to the media, Foreign Minister Pacas outright denied accusations of electoral fraud voiced by opposition parties and labor unions against the Central Electoral Council, arguing that the elections were held under the scrutiny of international and local observers.

Weekly Roundup on Rebel, Army Clashes

PA1803013991

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 15 March reports that in San Miguel, National Army for Democracy (END) units sabotaged two banks, which suffered considerable damage, and a Burger King restaurant.

The announcer notes that END artillery units fired on 3d Infantry Brigade installations in San Miguel and inflicted many casualties on the enemy troops and caused property damage. The announcer asserts that "only one shell hit outside the installations and caused no injuries or property damage on the civilian population." The announcer adds that there is no report on enemy casualties and that END forces withdrew without problem.

The announcer notes that a sabotage operation has left a large area of Santa Ana Department without electricity. Four power lines that feed the city of Santa Ana were sabotaged in the area of Santa Elena village, Santa Ana Department, by END units. The announcer reports that the El Salamo power station was attacked today by END units and suffered considerable damage.

In Morazan Department antidemocratic forces clashed among themselves this morning. Troops from the 3d Brigade clashed with forces from the Morazan Battalion of Military Detachment No. 4 in San Juan La Cruz and one soldier was wounded, the announcer reports. The announcer notes that clashes among enemy troops proves that they have low morale.

Nicaragua

Agreement Reached With FNT, Health Workers

FNT Signs Agreement

PA1803172891 Managua Domestic Service in Spanish 1424 GMT 18 Mar 91

[Agreement signed between the government and the National Workers' Front (FNT) in Managua on 18 March—read by Finance Minister Emilio Pereira]

[Text] Good morning to the members of the press and the public in general. I am going to read the agreement between the government and the FNT.

We, Presidency Minister Antonio Lacayo; Emilio Pereira, finance minister and chairman of the Board of Directors of the National Agreement; Dayton Caldera, president of Cornap [People's National Corporation]

and member of the National Agreement Board; Labor Minister Francisco Rosales Arguello; and Economy and Development Minister Silvio de Franco; as well as the following FNT representatives, Lucio Jimenez, FNT coordinator and CST [Jose Benito Escobar Sandinist Workers' Federation] secretary general; CST Organization Secretary Ronaldo Membreno; Edgardo Garcia, FNT deputy coordinator and ATC [Farm Workers' Association] secretary general; Jose Angel Bermudez, UNE [National Union of Employees] secretary general; Dr. Gustavo Porras, Fetasalud [Federation of Health Workers] secretary general; Mario Quintana, ANDEN [National Association of Nicaraguan Teachers] secretary general; ANDEN Labor Affairs Secretary Guillermo Martinez; Freddy Contreras, president of the Heroes and Martyrs National Confederation of Professional Associations [Conapro Heroes and Martyrs]; Freddy Cruz, Conapro Heroes and Martyrs member; and Lily Soto, executive secretary of the FNT, prompted by the spirit of contributing to the country's peace and economic stability, met at the Presidential Palace in Managua at 0500 on 18 March 1991 and signed the following agreement:

1. The FNT agrees to grant a grace period that expires on 22 May 1991 and to ensure that the costs of the stabilization program are equitably shared, and it joins the national effort to stabilize the Nicaraguan economy as soon as possible.

Therefore, and in order to strengthen the terms of the Political and Social Agreement, it reiterates its commitment to ensure the uninterrupted functioning of productive and service activities in the country.

2. Considering that the health sector has traditionally been among the lowest paid, and in keeping with the terms of the National Agreement as well as with the stabilization program, the government is giving priority to this sector. Therefore, it agrees to establish a fund to reclassify positions—using March as the starting point—that will be the equivalent to a factor of .55 of the payroll for the month of March. In addition, we agree to establish a similar fund for the Education Ministry, equivalent to a factor of .35 of the payroll for the month of March. Supplementary elements for the reclassification are to be submitted, at the latest, five working days after the new wage structure is formally presented.

3. Once the 22 May term expires and the true purchasing power of the salaries has been evaluated, the government establishes that, in the event there has been a loss, the resulting salary adjustments for the lower salaries will be implemented in the June salaries for the budgeted sector.

The government also establishes that, in this case, the other organizations of the central government will receive a bonus that will be equivalent to three times the adjustment and will be paid in equal parts in July, August, and September.

In the case of the Ministry of Education, the bonus will be equal to one-third of the previous one, distributed in the same manner. The lower salaries will be determined and agreed upon in due time among the parties.

The government and the FNT will join efforts to seek the approval of the honorable National Assembly for the minimum wage law in April 1991. The minimum wage law will be based on the terms of the National Agreement, and the commission that is appointed will issue a pronouncement on the minimum wage figures no later than 30 days after the law is promulgated.

4. Taking into consideration the commitment not to increase prices above levels authorized by the Ministry of Economy and Development and/or by the government, in order to safeguard the cost of the family basket and stay in line with the country's economic situation, businesses and autonomous and decentralized entities will be able to establish salary negotiations individually, in accordance with their economic capabilities and without impairing their obligations to maintain their technical and financial viability and keep their banking and fiscal obligations up to date.

Naturally, for all these calculations, all the methods of compensation that could have been adopted as a result of the economic measures announced on 3 March 1991 will be taken into consideration.

5. Within the spirit of the National Economic and Social Agreement, the National Standard of Living Commission [comision nacional de nivel de vida] and the National Employment Commission [comision nacional de empleo] will be created. These commissions will have a tripartite nature and will have one delegate from each one of the labor and trade union groups represented on the National Agreement Board. Both commissions will be created in April.

The National Standard of Living Commission will scientifically watch over the correct interpretation of prices and over all the baskets existing in the various government entities, including the basic basket that has 53 products. It will propose recommendations for improving the standard of living.

The National Employment Commission will exist for the purpose of detecting and quantifying unemployment and recommending the priority of the efforts that will be made to alleviate the existing unemployment and, in this manner, guarantee social stability.

6. The government reiterates its willingness to promote the productive reactivation of the economy's priority sectors, such as the production of export goods and basic grains, as well as the small, medium, and large industries, including businesses that have heavy debts.

The loan program of the National Financing System, which is determined by the level of recovery, by the increase of deposits in the system, and by the foreign resources available for those purposes, will give priority to those activities according to the balance and credit analysis.

7. The Finance Ministry will pay duly revalued overdue debts of construction companies as its conditions permit. On the other hand, the FNT commits itself to immediately normalize Finance Ministry activities throughout the country. Construction projects will be carried out in accordance with public bidding procedures, without discriminating against the bidding companies' form of ownership.

8. Consistent with the foreign funds that are obtained, the government will develop the public investment plan contained in the 1991 Budget Law. In addition, with the intention of reactivating economic activities, creating new jobs, and reactivating the social and productive infrastructure, joint efforts will be conducted to create a climate of stability that will permit obtaining additional foreign funds for that purpose. The government will support viable projects that are presented by the FNT and labor organizations participating in the national dialogue to reactivate production and create new jobs.

9. The government reiterates that it will guarantee legitimate land ownership to peasants who by virtue of the Sandinist Agrarian Reform were granted deeds for the land they currently possess, and that they will be given land titles as promised. In addition, land titles will be delivered to those who have received land from the Nicaraguan Agrarian Reform Institute, INRA, since 25 April 1990. In the same manner, guarantees and legal protection will be given to Nicaraguan families who received urban and legal properties by virtue of state allocations prior to 25 February 1990. Negotiations will begin immediately to normalize companies currently affected by conflicts.

10. The government and the FNT commit themselves to join efforts in trying to obtain financial aid from the participants in the San Jose VII meeting and the international community, to improve the access by the population, particularly the most needy, to the basic family basket.

11. The government will expand the grace period offered to the residential sector to pay public utility bills until 30 March, for the benefit of this important sector. The government promises not to dismiss personnel of the central government except for just causes stipulated in the labor code. The government will not undertake reprisals against workers who have participated in strikes in the central government, autonomous institutions, decentralized institutions, or businesses. To this end, in no case and under no administrative ruling can anyone be dismissed, transferred, or demoted, be given reduced working hours, or be subject to any other measure that affects the workers involved in this strike. The FNT agrees with the government's measures to defeat hyperinflation. This effort will become more feasible to the extent that the costs are distributed equitably.

12. The government and the FNT agree to respect the right to work and the right to strike and the fundamental principle that the right of each person is limited by the rights of others, the right of security, and by the just demand of the common welfare of all, as stipulated in the Constitution of Nicaragua. Therefore, the strike cannot be confused with the takeover of highways, work places, or other people's property. Consistent with the aforementioned, the government promises not to use the public force against nonviolent strikes.

13. The government and the FNT reiterate their commitment to peace and social stability, which are necessary for these agreements to materialize. Consequently, both commit themselves to participating constructively in extending the spirit of concerted effort for the period of the agricultural cycle 1991-1992, and to resolving all conflicts through the path of dialogue, through the path of negotiation, and through the use of legal instruments.

[Signed] Engineer Antonio Lacayo, minister of the Presidency of the Government of the Republic of Nicaragua; Dr. Emilio Pereira, finance minister and chairman of the Board of Directors of the National Agreement; Engineer Dayton Caldera Solorzano, president of Cornap and member of the National Agreement Board; Labor Minister Dr. Francisco Rosales Arguello; Dr. Silvio de Franco, minister of economy and development; Lucio Jimenez, coordinator of the FNT and secretary general of the CST; CST Organization Secretary Ronaldo Membreno; Edgardo Garcia, deputy coordinator of the FNT and secretary general of the ATC; Fetsalud Secretary General Dr. Gustavo Porras; Conapre President Felix Contreras; UNE Secretary General Jose A. Bermudez; ANDEN Secretary General Mario Quintana; ANDEN Labor Affairs Secretary Guillermo Martinez; and FNT Executive Secretary Lily Soto.

Health Workers Sign Agreement

PA1803223691 Managua Domestic Service in Spanish 1450 GMT 18 Mar 91

[Agreement signed between the government and the Federation of Health Workers of Nicaragua in Managua on 18 March; read by Dayton Caldera Solorzano, president of the People's National Corporation and member of the concerted effort board, from the Presidential Palace in Managua—live]

[Text] Agreements between the government and the National Health Negotiating Commission. Meeting at the Presidential Palace at 0500 in the city of Managua on 18 March 1991: Presidency Minister Antonio Lacayo; Finance Minister Dr. Emilio Pereira, president of the concerted effort board; Mr. Dayton Caldera, president of Cornap [National People's Sector Corporation] and member of the concerted effort board; Labor Minister Francisco Rosales Arguello; Health Minister Dr. Ernesto Salmeron; Deputy Presidency Minister Antonio Ibarra Rojas; and the representatives of the National Health Negotiating Commission, Dr. Gustavo Porras, Mrs. Evelyn Umana, Mrs. Jacaranda Fernandez, Dr. Eduardo Collado, and Dr. Luis Santiago del Palacio for Fetsalud;

the national medical team members, Dr. Francisco Bolanos of [Fesomenic] Federation of Nicaraguan Medical Associations; Miguel Angel Barbosa of the School of Doctors and Surgeons; Jose Angel Montiel, of the Nicaraguan Medical Association; and Adonis Perez, Carlos Pacheco, Rene Leyva, Pedro Parajon, and Juan Carlos Leyton, of the hospital and health centers strike committee. With the desire to contribute to the country's peace and economic stability, we sign the following agreements.

1. The National Health Negotiating Commission agrees to join the nationwide effort to stabilize Nicaragua's economy as soon as possible. Consequently, it expresses today its commitment to normalize medical care, to stabilize health service, and to try its best to optimize health services for the Nicaraguan people. The National Health Negotiating Commission promises to help the superior authorities of the Health Ministry to preserve the property of the various health units and supports the government's decision to fight hyperinflation, which will become more feasible to the extent that the costs are distributed equitably.

2. The government, considering that the health sector has been one of the sectors which has had the lowest wages historically, grants priority to the health sector and, consequently, agrees to establish a fund for the reclassification of positions, based on the month of March and equivalent to 0.55 for the month of March. The National Health Negotiating Commission and the superior authorities of Minsa [Health Ministry] and Mitra [Labor Ministry] will establish the distribution of this fund, in keeping with the ten existing levels. The corresponding complementary part will be assigned no later than five working days after the formal delivery of the new wage structure.

3. The government will fulfill the technical material supply of the hospitals and health centers in conformity with the budget law for 1991, and will strive to promote foreign resources that will help improve the health of the Nicaraguan people. The government will prioritize—using its available technical and material resources—the essential medicines, the material which has to be refilled periodically, and the necessary laboratory material. It will also grant priority to the supply of medication for oncological patients, to outpatients with chronic diseases, and to groups of mothers and children, in sufficient quantities that will respond to the health needs of the Nicaraguan people. All of this will be carried out keeping in mind the budget constraints and the foreign resources that can be obtained. The government and the National Health Negotiating Commission promise to contribute ideas and initiatives that will place more emphasis on the extensive use of preventive medicine.

4. The government will guarantee that daily payments are timely and that they are made for the periods for which work is planned, to adequately confront the tropical diseases. The government commits itself not to dismiss health workers except for justified reasons stipulated in the Labor Code. The government will not adopt any reprisals against workers who participated in the health sector's strike. To that effect, under no circumstances or administrative action can there be dismissals, transfers, demotions, reduction of working hours, or any other measure affecting workers who participated in the strike.

5. The Nicaraguan Government will guarantee in 1991 positions for health workers who, after completing their social service, will become graduates and for all university graduates, intern and resident doctors who complete their studies as specialists. To that effect, the Minsa will determine the criteria to be used for the selection and placing of residents. The Nicaraguan Government commits itself to extending until 18 September 1991 the deadline to formalize the obtaining of professional titles by all national technicians and professionals who are currently working in Minsa, but have not yet met the requirements to formalize their titles.

6. The government commits itself to guarantee compliance with the collective agreement, and the wage increase agreement and addendum, while they are effective.

7. The government expands the plan for partial exoneration of taxes on vehicles to include technicians and professionals in the health sector. In addition, the government authorizes the exemption from customs duties of medical equipment and supplies for the rest of 1991.

8. The government and the National Health Negotiating Commission agree to respect the right to work, right to strike, and the fundamental principle that individual rights are limited by the rights of others, collective security, and the just demands for common well-being, as stipulated in the Nicaraguan Constitution.

9. The government and the National Health Negotiating Commisison ratify their commitment to peace and the necessary social stability to materialize these agreements. Consequently, they both commit themselves to resolving all conflicts through dialogue, negotiations, and legal mechanisms.

[Signed] Antonio Lacayo, minister of the Presidency
Emilio Pereira, finance minister and president of the National Dialogue Board of Directors
Dayton Caldera Solorzano, president of Cornap and member of the National Dialogue Board of Directors
Francisco Rosales, labor minister
Ernesto Salmeron, health minister
Antonio Ibarra Rojas, deputy minister of the Presidency
Gustavo Porras, Fetsalud secretary general
Evelyn Umana, Fetsalud
Jacaranda Fernandez, Fetsalud
Eduardo Colllado, Fetsalud
Luis Santiago del Palacio, Fetsalud
Francisco Bolanos, Fesomenic
Jose Angel Montiel, Nicaraguan Medical Association

Carlos Pacheco, Strike Committee of Hospitals and Health Centers
Pedro Farajon, Strike Committee of Hospitals and Health Centers
Miguel Barbosa, Association of Doctors and Surgeons
Adonis Peres, Strike Committee of Hospitals and Health Centers
Rene Leiva, Strike Committee of Hospitals and Health Centers
Juan Carlos Leyton, Strike Committee of Hospitals and Health Centers

Ministers View Agreement

PA1903013791 Managua Domestic Service in Spanish 1424 GMT 18 Mar 91

[News conference by Presidency Minister Antonio Lacayo; Finance Minister Emilio Pereira; Hector Caldera, president of the Concertation Board; Labor Minister Francisco Rosales; Economy and Development Minister Silvio de Franco; Lucio Jimenez, representative of the National Workers' Front (FNT); and other labor union officials with local and foreign correspondents and moderator Information Minister Danilo Lacayo, at the Presidential Palace in Managua—live]

[Excerpt] [Passage omitted] [Lacayo] Let us now continue with our established order of questions. Juan Ernesto Garcia wishes to ask Emilio Pereira a question.

[Garcia] Point number three of the agreement signed by the Nicaraguan Government and the FNT states that the other sectors of the government workers will receive a bonus. Could you expand on this so that the workers will know how much this bonus will be in comparison to their March wages?

[Pereira] Gladly. The Nicaraguan Government's Economic Stabilization Plan, known by the people as the "We Support the Cordoba" plan—which was announced on 3 March and clarified on Wednesday during Minister of the Presidency Antonio Lacayo's news conference—clearly states that once the so-called period of truce ends, the lowest wages will be adjusted if their purchasing power is found to be below their 3 March purchasing power. In other words, we are going to average the wages between 3 March and 22 May. If there is a difference, it will be paid in three equal payments in July, August, and September. This will be for those workers receiving the lowest wages.

[Lacayo] Another question? Otherwise we will conclude the news conference.

[Unidentified reporter] Would you explain the Factor of .55 and Factor of .35 of the wage reclassification plan? How much will the wage adjustments be?

[Pereira] I will explain the Factor of .55. Let us take the March payroll as an example. Let us say that the March payroll is 100 [not further specified]. We would take 55 percent of that 100 and distribute it among the 23,000 workers. Obviously, this is not going to be an even increase because this is a reclassification, so the increase will depend on the position the worker is in.

[Lacayo] O'Dennis.

[O'Dennis] Would you clarify something for me? The media is reporting that the wage increases given to the hotel workers are in the amount of 300 or 425 [not further specified]. The newspapers have reported that it was for 3.5 or 2.5 percent. I would like to know how much they received and whether all the workers who were on strike will receive the same amounts?

[Pereira] The strategy approved in these agreements is within the framework of the Economic Stabilization Plan's wage policy. The government took advantage of this meeting to solve two big problems: to incorporate the FNT into the Economic Stabilization Plan and at the same time reclassify the health and education sectors that had not been included in the plan. As was announced on 3 March, the average increase for all government workers is in the Factor of 3 order. However, this will not be the same for everyone because there are some sectors undergoing reclassification. You will find that all the health and education workers' wages will be readjusted based on the Factor of 2.6. In the case of the health workers, the Factor of 2.6 will be in the amount of 4 [not further specified]. In the case of the education workers, the Factor of 3.51 will be applied. Even though the factors are different, the average wage of all workers is now more homogeneous. The wages of the health and education workers was lower; therefore, the factor used to create social justice according to the Economic Stabilization Plan wages had to be higher. Now everyone will be earning basically the same wages.

[Lacayo] [Words indistinct] Radio Nicaragua.

[Unidentified reporter] The media this morning reported that the Olof Palme Convention Center workers were again going to occupy the premises because they had not been included in the negotiations. What can you tell us about this?

[Pereira] The UNE [National Union of Employees] national director is among the representatives who signed the agreement. I believe most of the Olof Palme Convention Center workers are represented by him in this agreement that was drafted within the framework of the negotiations. I have no doubt that the negotiations under way will end this situation soon.

[Unidentified speaker] I wish to add that the Olof Palme Convention Center is ready to receive the San Jose VII delegates.

[Lacayo] Mr. Sergio [not further identified].

[Sergio] Mr. Minister, were specific mechanisms for future verification, especially for the period of truce, established during the talks between the government and the FNT? Were mechanisms established to solve new problems that could arise or does this mean that we can

expect more explosive situations every time one of the parties breaks the truce? How is this going to be handled? What is going to happen in the next 70 days?

[Pereira] That is an excellent question. A concerted effort forum [foro de la concertacion] will be responsible for giving continuity to these agreements. This forum will not only solve problems but will also ensure the success of the agreements. Two government officials who are present here today—Lucio Jimenez, and other CPT [Permanent Workers' Congress] representatives, specifically Jose Espinoza—will comprise the forum. That forum will be responsible for ensuring that the agreements are respected. In addition, a cost of living commission has been appointed. Two government officials and two CPT and FNT representatives will be members of this commission. This commission will, in an impartial manner, study the prices of the various basic food baskets the government has. We have the Central Bank basket, the Army basket, the INE [Nicaraguan Institute of Energy] basket, the 53-product basket, and the rural basket. This group will represent the interests of all the people and they will present their first report on 22 May. All the sectors will be representative and this will guarantee the commission's success. I believe that the most important thing is that the FNT is supporting the plan and today we have a national plan. An important sector of the workers that was not integrated in the plan is now part of it, and we are all working in the same direction. [passage omitted]

Ortega Views Strike, Assesses Government Policy

PA1603162891 Managua Radio Sandino in Spanish 1200 GMT 14 Mar 91

[Telephone interview with Daniel Ortega, former president and leader of the Sandinist National Liberation Front (FSLN), by unidentified reporter; place not given—live]

[Excerpts] [Reporter] Good morning, Commander Ortega. What do you think about the current situation following the government's call for a 10-week freeze on salaries?

[Ortega] Good morning [name indistinct]. Good morning, Nicaraguan brothers. I want to tell you that we have talked with the government about the current problems, about the monetary adjustment policy announced on 3 March, and that we have expressed our position and our concerns. This was clearly stated in our communique made public on 6 March.

Conflicts have continued. The government has called for a respite to try out this monetary adjustment policy. The government estimates that prices now are a bit lower than they were before, but the workers also have their positions and their own demands, many of which were presented prior to the announcement of the monetary adjustment policy on 3 March. This is the case with the hospital workers. They were on strike weeks prior to the adoption of these measures on 3 March. This is true for customs workers, as well. Therefore it cannot be said that all the protests that have been taking place are a direct reaction to the economic adjustment measures. The government has its position and the workers have their position and their demands. They now find that salaries do not allow them to buy what they had been buying prior to 3 March. They say that their purchasing power has been reduced.

These are conflicting positions and many strikes are in effect. It is true that some strikes have been resolved, but there are still many strikes, especially the health workers' strike, which is a source of concern because of the physical condition of the hunger strikers, especially Mrs. [name indistinct]. We have talked with her and stated our solidarity and our concern that this hunger strike may have a tragic outcome.

We have demanded flexibility from the government to resolve the problem of the health workers and other workers. [passage omitted]

[Reporter] Commander, the FSLN has been criticized for supporting the government's effort to establish social stability through the economic adjustment plan, while the government, according to critics from the National Workers' Front [FNT], is taking advantage of this situation: It is maintaining a tough stand and being inflexible with regard to salary demands. The people with the lowest incomes have said that in Nicaragua, the minimum salary has dropped to $40, while last month it was $60. Because of this situation, they are saying that the FSLN is sort of becoming an accomplice of the government. It would be interesting to hear you comment on this, commander.

[Ortega] The Sandinist Front is a partner of the people, of justice, and of Nicaragua, but not of the government. The government has to assume its own responsibilities in connection with the measures it has announced. The workers have a clear position when they question the effects of the measures, especially those that have to do with price and salary adjustments.

The Sandinist Front has been very clear in this regard. Our 6 March communique clearly states that the measures have some negative elements and we pointed those elements out. That is, we agree with the workers that the measures require adjustments to be genuinely equitable and not favor certain economic groups, thus creating new economic situations at the expense of the workers. Our position has been clear. We support Nicaraguan stability, which requires a certain government stand with regard to worker demands. [passage omitted]

[Reporter] To be exact, the government is making promises, but the people are demanding food. Is the freeze period proposed by the government viable? Could an agreement be worked out to force the government to comply with its promises so that there is no excuse that can be used to absolve it of responsibility? What agreements could be sought by the FNT, the FSLN, and sectors that are continuously declaring strikes, like the

teachers did today, to secure the framework of social stability that everyone wants and that the Sandinist Front, the government, and other sectors favor?

[Ortega] The government has said that it has food and other resources to satisfy the demands of workers and the less fortunate sectors of the population. I say less fortunate because they do not have jobs. If the government has the resources, I think it should use them to help the workers who have difficult [words indistinct]. The government says it has the financial resources to create jobs. This is another important element for the workers [words indistinct].

If the government has fresh resources, they can be used to contribute toward financing enterprises that have lost financial support as a result of the [words indistinct] policy.

According to what the government itself has said, the resources exist. This has been stated by the government. The resources have to exist, because there is no longer a blockade and the country has more access to foreign resources. The resources have to be there. How do we guarantee that these resources are [words indistinct]? I believe that the participation of the workers is important in achieving this. This participation is important not only at the moment of signing the agreement, but when the agreements are being discussed. The workers should be able to join commissions that would serve to guarantee compliance with the agreements. With the workers forming part of these commissions, [words indistinct], commissions having to do with the distribution of food and things of that sort, and commissions having to do with employment, that is, with matters that are indispensable to making the people believe that promises will be fulfilled. [passage omitted]

FSLN-Government Relations Amid Strikes Viewed

PA1703180191 Panama City ACAN in Spanish 1431 GMT 16 Mar 91

[By Andreu Claret]

[Text] Managua, 16 Mar (ACAN-EFE)—The political agreement between the Chamorro government and the Sandinists, which has prevailed in Nicaragua for a year, remains in force despite the strikes called by the pro-Sandinist unions against the government's economic policy.

Over the past few days, Sandinist and government representatives have made moderate statements while strikes multiply, spurred by the drop in purchasing power as a result of the 400-percent currency devaluation on 4 March.

"I have confidence in the political wisdom and ability of Sandinism," Economy Minister Silvio de Franco told ACAN-EFE when he commented on the situation caused by the strikes in hospitals, customs offices, banks, hotels, and other enterprises.

While the Sandinist-leaning National Workers' Front (FNT) is asking for a 425 percent wage increase, the government is proposing a 10-week truce and promising to review wages afterwards, if prices have not dropped by then.

Despite the spread of strikes and the occupation of buildings, Minister of the Presidency Antonio Lacayo, Chamorro's son-in-law and the administration's "strongman," has stressed time and time again the "government's inexhaustible willingness to hold a dialogue."

As for the leader of the opposition, former President Daniel Ortega, instead of attacking the government as some Sandinist rank and file members are demanding, has called for "flexibility and understanding to find a solution to the crisis."

Addressing sympathizers of the Sandinist National Liberation Front (FSLN), the former president has said he has received "promises from Lacayo that the government will not turn back the progress achieved" during the 10 years of Sandinism.

Ortega has warned that "if the workers are the only ones who will have to make sacrifices, the (adjustment) plan will fail." Nevertheless, the FSLN leaders have yet to question the "Economic and Social Agreement" approved in October with Sandinist votes.

The continuation of cooperation between the FSLN and Chamorro is criticized by Vice President Virgilio Godoy, who has stated that "the economic adjustment plan will fail as long as the government renegotiates the agreed upon measures with its adversaries every three hours."

Godoy, who in practice has been left out of the Chamorro government because he has rejected accommodating the FSLN after Ortega's defeat, has told ACAN-EFE that "the Sandinists are in a privileged situation, co-governing without showing their faces and exerting pressure from outside the government."

For Godoy, leader of the Liberal Party, Lacayo is "part of the Sandinism inside the government," and his plan involves "a brilliant but extremely dangerous move, typical of technocrats."

Analysts are divided about the plan's possibilities for success, but few have doubts about how necessary it is to put an end to the "hyperinflation" that reached nearly 14,000 percent last year and to make the country creditworthy in the eyes of international organizations.

A World Bank mission will arrive in Managua on 19 March to evaluate the effects of the economic adjustment plan, particularly on inflation, and to decide whether Nicaraguan can receive new credit.

The EC foreign ministers will also have the opportunity to personally observe the initial effects of the plan when they participate in their annual meeting with their Central American counterparts in Managua on 18-19 March.

Banking Employees Join Strike After Talks Fail

PA1603023491 Managua Radio Sandino in Spanish 1200 GMT 15 Mar 91

[Text] The Federation of Banking Workers decided last night that they would go on strike in bank home offices and branches after their negotiations yesterday with Central Bank President Raul Lacayo failed. The 10,000 workers of the national financial system are demanding a 380-percent wage increase and job tenure.

Raul Lacayo's answer was to reiterate the government's request for a truce, and to wait and see what the preliminary results of the economic adjustment plan are. In addition, he offered to give them two months credit on 12 products of the basic food basket.

The workers of the main branch of the National Development Bank will begin the strike this morning and will later be joined by workers at the branches of the Bank of Nicaragua, the Banco Inmobiliario, Banco Popular, and the Central Bank.

The banking workers rejected the 10-week truce proposed by Lacayo, saying that their wages are not enough to meet their basic needs.

PNC Supports Economic Stabilization Measures

PA1503185891 Managua LA PRENSA in Spanish 11 Mar 91 p 12

[By Julio Cesar Armas]

[Text] The National Conservative Party [PNC] has issued a communique signed by its President Jose Castillo Osejo, expressing support for the government's economic stabilization plan.

Although the measures are harsh and strongly affect all social sectors, the PNC believes that they are indispensable and inevitable. However, in the long run they will benefit the Nicaraguan people, especially the majority, which consists of workers and farmers.

The communique says that without the establishment of a genuine state of law and full legal and political private property guarantees, these measures will not bring about the desired effects in favor of the stability and overall development of the country.

It is essential, the PNC says, that the actions unleashed by the organizations of the Sandinist National Liberation Front, such as illegal and violent strikes, be stopped and controlled by the authorities in compliance with their duty to maintain public order.

The conservatives encourage the government to immediately carry out the privatization plans it announced in order to create a social and equitable market economy.

INE Announces New Prices for Fuel, Oil By-Products

PA1603233391 Managua Radio Sandino in Spanish 1200 GMT 16 Mar 91

[Communique issued by the Office of Information and Press of the Nicaraguan Energy Institute; date not given]

[Text] We hereby inform consumers of the official prices established for fuel and oil by-products:

Item	Old price (in cordobas per gallon)	New price
Gasoline	2.35	10
Diesel	1.45	6.50
Kerosene	1.45	6.50
Liquid gas, 10 lbs	2.25	10.10
Liquid gas, 25 lbs	5.56	25
Liquid gas, 100 lbs	22.25	100.10

We must note that these prices include transportation costs and a margin of profit for each product.

We ask distributors to respect the established prices, and consumers to report any irregularities.

Government Denies EPS Has Chemical Weapons

PA1703143791 Panama City ACAN in Spanish 1457 GMT 16 Mar 91

[Text] Managua, 16 Mar (ACAN-EFE)—The Nicaraguan Government has denied that the Sandinist People's Army (EPS) possesses chemical weapons, as reported by a U.S. newspaper citing U.S. Navy sources.

THE NEW YORK TIMES reported at the beginning of the week that a secret investigation conducted by the U.S. Navy established that the armies of Guatemala, El Salvador, and Nicaragua "possibly may have chemical weapons."

Nicaraguan Deputy Foreign Minister Ernesto Leal said last night that "the Army does not have nor has thought of having chemical weapons."

The official emphasized that Nicaragua is a developing country and "I do not believe it is thinking about acquiring such sophisticated weapons."

Panama

Endara Denies Country Uncooperative in Drug Cases

PA1703043791 Panama City Circuito RPC Television in Spanish 2300 GMT 15 Mar 91

[Text] Panamanian President Guillermo Endara today described as ruthless the U.S. officials who have complained about the Panamanian Government's failure to cooperate with an investigation into the sale of Israeli weapons to Colombian drug traffickers.

Addressing reporters today, Endara said that his government often coordinates ways to combat drug trafficking with U.S. Ambassador Deane Hinton.

Arias Calderon on U.S. Sea Patrol Agreement

PA1903042291 Panama City EL SIGLO in Spanish 16 Mar 91 p 34

[By Yali Enrique Pitti]

[Text] Vice President Ricardo Arias Calderon has told EL SIGLO that the signing of the agreement between Panama and the United States for the joint patrol of Panamanian territorial waters is not a "transfer of jurisdiction." He added that the jurisdiction over the Panamanian territorial waters will be exercised by the National Maritime Service on behalf of the public authority.

Arias Calderon said that the cooperation agreement between Panama's Maritime Service and the U.S. Coast Guard Service is about to be completed. He added that the agreement may be signed as early as next week.

"This agreement will help us improve the National Maritime Services. These services should be intended to carry out the task of the maritime police, in the face of all illegal actions that are perpetrated at sea, such as contraband, piracy, and drug trafficking," Arias Calderon noted.

According to the vice president of the Republic, our country has been at a disadvantage in carrying out the task of maritime police, given the lack of patrol boats and proper training. Thus, he continued, the agreement to jointly patrol our territorial waters between Panama and the United States will be a contribution by the U.S. coast guards to effectively carry out police patrols.

Ricardo Arias Calderon warned that the negotiations on the agreement between Panama and the United States to jointly patrol Panamanian territorial waters is the responsibility of the Foreign Relations Ministry. "They are the ones who have told us that they believe the Government and Justice Ministry should sign the agreement," Arias Calderon stressed.

Argentina

Menem: Justicialist Party Doctrine Needs Update

PY1903024491 Buenos Aires TELAM in Spanish 1100 GMT 17 Mar 91

[Text] Buenos Aires, 17 Mar (TELAM)—President Carlos Menem spoke yesterday about the urgent need to update justicialist doctrine in view of deep-rooted structural changes that are taking place throughout the world and of the prevailing new international order, and he appealed to the various echelons of the party leadership and grass roots for this.

After receiving an ovation from the thousands of justicialist leaders attending the ceremony at the National Cervantes Theater to discuss updating the party doctrine, the honorary PJ [Justicialist Party] chairman said the Argentine people cannot hold on to hollow structures and added that the world is experiencing new times in which the people have decided to crush oppression.

Menem said: During the past two years many walls have been knocked down in Argentina—just like the Berlin Wall—and I do not think many leaders have realized this.

Menem said that with a popular market economy and state reform, we are resorting to a true judo hold to try to place the forces that were playing against the nation's interests in our favor. We must move from speculative capitalism to productive capitalism because during the past fifteen years, we have just preached and not practiced capitalism and that is not what General Peron wanted.

Moreover, Menem pointed out the need to get rid of factionalism within the PJ because it only destroys popular movements and added that justicialism has not been defeated by prison, death, torture, or corruption. The chief of state noted that justicialism continues to be a valid path for pulling Argentina out of backwardness, injustice, and decay. Menem then added: I am fully convinced that we are changing history rather than simply doing nothing or waiting for history to change us.

He stressed that justicialism is above all else a living doctrine, whether some like it or not, that is constantly and permanently changing with a vitality that is in keeping with our ideology adjusted to the desires and dreams of our people. Menem then explained: Our doctrine must not become a cage in which we are trapped by sectarian blindness, our doctrine must be an updated, revolutionary tool at the service of the entire nation. He said: We are not, nor can we be, an insignificant movement or an insignificant party that is more concerned about its leaders than its people.

Menem said: Now, more than ever, we must become antiestablishment, we must start a period of bold initiatives, of mental opening and intellectual independence, of authentically revolutionary political practices, of new utopias that are in keeping with the new Argentina.

In his speech Menem noted: We are proposing a doctrinal update, taking into account all the changes that have recently taken place in Argentina, in Latin America, and in the entire world, and the first step in this updating process must be to rescue our essence as a movement—because we are a movement and cannot remain trapped in hollow structures. Menem then said that if today's society does not feel close to the political parties, it is because the political parties are not within national society. He asserted: It is not a question of destroying political parties, but rather of inserting them into a social democratic model that may offer broad channels of participation for the entire community.

Menem said that Peronist and Argentine electoral mechanisms must be revised so people can become more involved, so they can have a greater participation. He also said he has no doubt that there will soon be an organized workers movement marked by magnetism and solidarity that will accompany us toward a definite victory. He emphasized that justicialism has not been defeated by prison, death, torture, disappearances, or proscriptions, and he strongly asserted his belief that neither will the current crisis manage to defeat justicialism.

In the economic field, Menem said the necessary conditions to go from speculative capitalism to productive capitalism must be established. The president said there is no genuine capitalism in a country in which nobody pays taxes, where the state's social function is channeled to privileged sectors, where only the more powerful benefit, and where those who have turned speculation into an eternal banquet in Argentina, those who have always committed fraud against the state protected by regulations and privileges are our enemies.

Menem emphasized: We want the state to once again take care of essential needs such as health, education, defense, and social action. For goodness sakes, we do not want a stupid state that is indifferent to social injustice and added: I do not believe either in privatism or statism, I believe in Argentinism, written in capital letters, not in a sovereignty of hunger, backwardness, and decay.

Kuwaiti Amir Thanks Menem for Help, Support

PY1903002491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1947 GMT 16 Mar 91

[Text] Buenos Aires, 16 Mar (NA)—The Foreign Ministry today reported that Kuwaiti Amir Jabir al-Ahmad al-Jabir al-Sabah has given Argentine Ambassador to Kuwait Julio Uriburu-French a message for President Carlos Menem. In his message the Amir expresses "his thanks and acknowledgment for the great help and for the effort and support that made the just freedom of Kuwait possible."

The text of the message, which was released this afternoon by the Foreign Ministry, states: "After the freedom of Kuwait, I cannot express with words my thanks and acknowledgment for your great help, as well as my personal feeling about the effort and support that made it possible to free Kuwait from the savage aggression and occupation."

Al-Sabah stressed "the Argentine position faithfully supported principles in defense of international law, as was reflected by your personal position during the crisis."

He also pointed out: "The positive aspect of the serious crisis that affected Kuwait was the world's reaction against the occupation, which was a firm lesson for all those who try to repeat such aggression."

The message concluded by saying: "I want to tell you that we wish to strengthen the ties of friendship between our countries and friendly nations, and to promote cooperation between them [word indistinct] their interests and wealth for the entire world. [no closing quotation mark as received]

Al-Sabah conveyed to Menem "the Kuwaiti people's most sincere wishes and his personal wish of good health and happiness for your excellency and your friendly nation."

Brazil

Economy Minister Cardoso Interviewed 14 Mar

PY1803192591 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Mar 91 Economic Section p 12

[Interview by Economy Minister Zelia Cardoso de Mello with O ESTADO reporters Severino Goes and Armando Mendes, in Brasilia on 14 March]

[Text] [O ESTADO] The National Reconstruction Project just unveiled by the government is very comprehensive. It opens many fronts and opposes many interests. Who does the government expect, in Congress and in society, will help carry out this project?

[Cardoso] It is a project for discussion. We want the whole of society to contribute to this discussion so that the project can be converted into a program, a plan. We expect their help to implement it and to make it work. We are counting on all the social forces that want the country to be changed and modernized.

[O ESTADO] Should an agreement like this be channeled through Congress?

[Cardoso] It should. The national agreement should be a political agreement. Party leaderships are very important in the forging of political agreements. The parties represent the various sectors of society. Through them we will move from a circumscribed, specific discussion to a more general discussion.

[O ESTADO] The first year of government was punctuated by criticism of the excessive use of provisional measures. Does the government now understand that dictating provisional measures is not the best way?

[Cardoso] That is not so. The two situations are completely separate. When this government came to power last year it had to deal with an emergency situation. The situation was that of a patient who needed every available resource to help him to recover. Once the patient recovered, however, it was then possible to prescribe the long-term treatment. This is precisely what has happened in Brazil. We found the country on the brink of hyperinflation with the economy in disarray; immediate and urgent actions were needed. The stabilization plan dealt with the reorganization of the economy and the creation of social and political conditions under which we could discuss our medium- and long-term problems.

[O ESTADO] Will provisional measures cease to be dictated in the economic area?

[Cardoso] Essential provisional measures could be dictated, but we intend to cut their use to the absolute minimum.

[O ESTADO] Will the government create some forum or special body, in addition to Congress, that will discuss the measures proposed in the project?

[Cardoso] The president will determine the steps and timetable to be followed. We will discuss the project with each sector and see how the separate discussions will be organized. This is what the president has determined. We need to know how he will organize the discussions with both Congress and society.

[O ESTADO] Congress has just installed its own forum for discussing a national project under the name of the Forum for National Consensus. Do you expect Congress to take the project the government has just unveiled as the starting point for its discussions?

[Cardoso] I am anxiously waiting for them to read the project, to study it, and to discuss it. This is of great importance, great importance. Fortunately, Congress has organized its own forum and is now in the position to objectively examine the government plan.

[O ESTADO] What does the government see as its priorities?

[Cardoso] We have to understand what it is all about. It is a national reconstruction project that will enable us to choose the kind of country we want Brazil to be, and to influence the development of industry, education, health, culture, and the people. It is a comprehensive project where everything is important. The priorities will have to be set through discussions with society. All opinions will be very important.

[O ESTADO] The government is considering cutting expenditures in areas that it does not consider priority so that more can be invested in other areas. Similar

attempts were made by other economic teams but the cuts were never made; they were stopped by vested interests....

[Cardoso] This question should not be posed to this team. This coming week we will officially announce an unprecedented result in Brazil's history: In 1990, the federal government budget registered a surplus of 2.46 percent of the GDP. This is unprecedented. Under the label of public sector financial need, as measured by the IMF, we posted a 1-percent surplus. You should put your question to the other teams that tried to reduce deficits and cut expenditures but could not do it.

[O ESTADO] The project calls for additional reductions through structural measures, such as eliminating the job stability of public servants. Do you have the political force to do this?

[Cardoso] We are putting the matter to society for discussion. Society will decide what it wants. If society wants to advance, to modernize, with better living standards, and economic development, it will have to choose.

[O ESTADO] Will taxes be hiked because of the project?

[Cardoso] It depends. You have the Rural Land Tax [Imposto Territorial Rural—ITR], for instance, that will be paid only by owners of vacant land. It depends on the case. Everything will be discussed case by case. The discussion will be conducted from a wider point of view. From our viewpoint, discussing the matter by thinking "I will have to pay more tax" will not enhance a good discussion. We are not going to discuss that. I do not want to pay more tax myself. But it depends. If I pay more tax so that the food supply can be doubled or tripled over the next five years and I will thus attain a better standard of living with lower inflation, then the proposal should be considered.

[O ESTADO] The project foresees measures to attract foreign capital and to lower barriers. What will actually be done in this regard?

[Cardoso] Studies are being made. By the way, I have to call a meeting on that. The modifications have been listed—they include modifications to Law 4131 and Central Bank resolutions—and we are studying them. We understand that foreign investment is an absolutely essential contribution to development. Foreign investments will not be made if the country has an unstable economy or restrictions on their entry. The economy must be stabilized and the restrictions must be removed. This is what the project proposes.

[O ESTADO] The foreign debt is also an obstacle....

[Cardoso] I believe that it is a minor one. My personal opinion is this: Capital, which is the very essence of capitalism, is invested where it can produce more capital. To see if it can produce more capital, what information is needed? Does the country have a stable economy, is inflation under control, are there any restrictions? These are the most important questions for foreign investors. The foreign debt is the most important question for us, but for other reasons.

[O ESTADO] What reasons?

[Cardoso] To enable us to normalize the volume of money entering and leaving Brazil, for instance. We have a financing problem with our foreign trade credit lines because of the unsettled foreign-debt issue. We even have a credibility problem, an uncertainty that reflects on the stabilization program because nobody knows what will happen to the foreign debt, how the remittances will be made, and how much pressure will be exerted on exchange rates.

[O ESTADO] How you rate the government's performance in its first year?

[Cardoso] I believe that one should just look around. Do you recall the situation Brazil was in last year? Nobody knew what was going to happen the following month. Prices and profit margins were spiralling at the rate of 100 percent per month. During our first year in government, inflation rose 284 percent. This information is sufficiently eloquent. We moved from an situation without perspectives—where hyperinflation was threatening to destroy everyone's savings, where investments were zero, where doors were closed to the trade of computers, to the transfer of technology, where the positions toward the GATT were anachronistic—to an economy which is now modernizing and opening to the outside world. We have terminated several oligopolies and made a fiscal adjustment without comparison in the history of Brazil. I believe we have made many great advances. But it was all such hard work...hard work.

[O ESTADO] And inflation?

[Cardoso] I am content about our inflation because, although it has not been erased, it is under control. That is very important.

[O ESTADO] Has the economic team accomplished all that it set out to achieve one year ago when this government came to power?

[Cardoso] I think we have accomplished a lot. The reforms we introduced are working out, they are following their natural course. We have accomplished nearly everything, there are only a few points that we have not achieved. For example, I think that the ITR bill, which we sent to Congress last year and which was not approved, would have been very important. I also think that the draft bills that we have now in Congress, on the financing of exports, on the creation of a tax on capital gains deriving from the House Financing System [Sistema Financeiro da Habitacao], and on the creation of a tax on the Salary Variation Compensation Fund [Fundo de Compensacao por Variacao Salarial—FCVS] are also very important.

[O ESTADO] What are the economic growth prospects for this year?

[Cardoso] In the past you could ask the government about economic growth because the government was the greatest investor and nothing could be done without it. The government is now gradually withdrawing from the economy. You must now ask the businessmen about growth. Economic growth is no longer a task of the government. The task of the government is to create the appropriate conditions for growth, to implement austere fiscal and monetary policies, and to create a clear foreign trade policy. But growth depends on whether or not the businessmen decide to invest. I hope we will soon be able to announce good news on this.

[O ESTADO] Despite your optimism, we have observed in the latest opinion polls that the people's rejection of the government has increased. Why do you think this is so?

[Cardoso] The result of many of our decisions will only be felt in the medium- and long-term. They cannot be felt immediately. This is a burden we must accept because we are sure that we are doing the right thing. The results will be felt in time. My contemporaries may perhaps not admit this at the moment, but some day history will recognize it. I am sure that historians will look back on 1990 and say: "What a beautiful year! This team really contributed to the modernization of the Brazilian economy." I do not doubt this, not at all.

Poll Shows Collor's Ratings Continue To Slide

PY1803231791 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Mar 91 First Section, p 1

[Text] After one year at the Planalto Palace, President Fernando Collor receives a negative assessment from the country's population—34 percent (against 20 percent after his first six months in government) of the population considers his administration to be bad or very bad, 40 percent considers his administration to be fair, and 23 percent considers his administration to be excellent.

Before his inauguration, 71 percent of the population expected an excellent or good administration, 18 percent expected a fair administration and barely 4 percent expected a bad or very bad administration.

According to a DataFolha nationwide poll that was conducted between 4 and 6 March, 52 percent of the population believes that Collor does not fulfill his promises and 36 percent believes that he does so only partially.

If the elections were held today, Lula would defeat Collor by 42 to 38 percent of the votes.

Rezek Explains Policy on Gulf, Trade With Iraq

PY1903025691 Brasilia Domestic Service in Portuguese 2200 GMT 18 Mar 91

[By Mario Lima from Belo Horizonte]

[Text] Foreign Minister Francisco Rezek today lectured at the Catholic University of Minas Gerais in Belo Horizonte. Foreign Minister Francisco Rezek evaluated his ministry's activities during the first year of the Fernando Collor government, stating that his ministry has been faithful to the sentiments of the majority of Brazilian people.

As an example, Rezek mentioned the Persian Gulf war in which Brazil acted in strict harmony with the beliefs of Brazilian society. According to the minister, the political and diplomatic relationship with the Iraqi Government in the postwar period will never be the same as in the past.

Concerning trade between national and Iraqi companies, Rezek said this is a matter of contracts and commercial law, and his ministry will not get involved in this matter. As for business between the Brazilian and Iraqi Governments, with emphasis on the petroleum market, Francisco Rezek said Brazil is already securing from other trade partners the purchase of 160,000 barrels [as heard] per day that were formerly supplied by Iraq.

Rezek announced that diplomatic (?establishment) with Iraq is being conducted gradually due to conditions currently prevailing in Saddam Husayn's country. The entire staff of the Brazilian Embassy in Iraq is now in Amman waiting for approval from the Foreign Ministry to return to Baghdad, where the Brazilian Embassy building has not been damaged.

The minister said Petrobras [Brazilian Petroleum Corporation] will assume a new position toward its trade partners, entering into contracts with countries that are close and are not subject to political crises.

Oil Strike Judged 'Abusive;' To Promptly End

PY1903032091 Brasilia Domestic Service in Portuguese 2200 GMT 18 Mar 91

[By Nasibrum Junior from the Superior Labor Court]

[Text] The Superior Labor Court [TST] has described the oil workers strike as abusive. The TST justices unanimously supported the judgment issued by Justice Almir Pazianotto, who studied the case. This means the oil workers, who have been on strike for 21 days, must immediately return to work.

In the same judgment, Justice Almir Pazianotto granted job stability for oil workers until August as was previously agreed in a collective accord between Petrobras [Brazilian Petroleum Corporation] and the oil workers. This, however, does not prevent the dismissal of oil workers who practice illegal acts, sabotage, or destroy company property.

In the same hearing, the TST passed judgment on the oil workers' collective (?petition) asking for a 161-percent salary adjustment and other economic claims. The TST considered these claims improper. A point that had a

decisive influence on the justices' ruling was the fact that the oil workers strike was not held on the oil workers base date, September.

Overdue Interest Payment of $300 Million Announced

PY1803235791 Rio de Janeiro O GLOBO in Portuguese 15 Mar 91 p 27

[Text] Brasilia—Central Bank President Ibrahim Eris yesterday announced that Brazil will today pay nearly $300 million of the overdue interest that is owed by the public sector to the creditor banks. It is the first meaningful payment to the private creditors since the moratorium was declared in June 1989. According to Eris, this payment is being made at a time when Brazil and the banks are about to reach an agreement on the payment of $8.6 billion in overdue interest.

The payment represents about 30 percent of a $1 billion debt which falls due today and which is being negotiated by Ambassador Jorio Dauster with the banks in New York. The $300-million payment seeks to facilitate the negotiation. It is not a last-minute decision. A Central Bank resolution passed last December established the payment of 30 percent of the public sector's debt that will fall due in the first quarter of 1991.

Small payments amounting to a total of $20 million were paid during January and February. The Central Bank resolutions also authorized the payment of the interest, owed by the private and public financial sectors, which fell due last January. Thus, the private companies that have foreign debts have paid nearly $3 million so far.

Ibrahim Eris reported that an agreement on overdue debts is about to be reached with the banks. Brazil and the creditor banks will begin discussing the rescheduling of the foreign debt with the private banks once agreement is reached over a portion of the overdue debt. Thus, the Central Bank continues to analyze the affects of the debt renegotiation. Many payments have been made informally, without informing the Central Bank, and this has reduced the Central Bank's $60-million reserve to a level that has not yet been totally calculated by the institution.

Eris did not want to reveal the proposal that Ambassador Jorio Dauster will make to the banks. The two parties have yielded some of their initial demands: The banks demanded payment of 33 percent of the interest that fell due last December, but will now accept 28.75 percent. Brazil only wanted to pay 15 percent of $8.6 billion but has increased its offer to $8.75 billion.

Inflation for Previous 12 Months Reported

PY1703023291 Madrid EFE in English 0132 GMT 17 Mar 91

[Text] Rio de Janeiro, March 16 (EFE)—The inflation rate hit 20.2 per cent in Brazil for February, bringing the rise in prices for the past 12 months to 1,737.20 per cent, according to figures released Saturday by the Brazilian Institute of Geography and Statistics.

February's inflation rate was slightly down from the previous month's figure of 20.95 per cent when the government of President Fernando Collor de Mello ordered a price freeze.

After exactly one year in office, Collor de Mello has been unable to come to grips with hyperinflation despite launching a series of economic austerity measures.

The February inflation rate was released a day after Collor de Mello released an ambitious plan for national reconciliation aimed at cutting state control of the economy.

Feb Trade Surplus Noted

PY1903012791 Brasilia Domestic Service in Portuguese 2200 GMT 18 Mar 91

[By Cristina Indio do Brasil from the Economy Ministry]

[Summary] Economy Secretary Edgar Pereira has reported that the Brazilian trade balance registered a $1.006-billion surplus in February.

Imports totaled $1.264 billion and exports totaled $2.27 billion.

Group Enters Army Test Ground, Seizes Weapons

PY1903032691 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 18 Mar 91

[Text] An armed group trespassed on the Army's test ground in Restinga da Marambaia in Rio de Janeiro's littoral area and took weapons that were being tested. The trespass occurred in the early morning hours of Saturday [16 March], but was only disclosed today.

According to an official note released by the Eastern Military Command, six armed men entered the military area using a ship. The Army did not disclose the quantity or type of weapons that were taken.

Chile

Bomb in Hospital Defused; Few Details Reported

PY1903030691 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 18 Mar 91

[Report by Raul Pena from Valparaiso]

[Excerpt] A few hours ago, the Chilean Navy managed to thwart a terrorist attack inside the new Navy hospital in the Las Salinas neighborhood of Vina del Mar. The bomb, which was set to detonate at rush hour, was discovered by hospital guards in one of the bathrooms in the outpatient wing.

Experts deactivated the bomb in time, according to the Navy's public relations chief, Commander Gustavo Marin Watkins, who provided details about the bomb.

[Begin Marin recording] The bomb, which consisted of 200 grams of plastic explosive surrounded by a layer of three-inch nails and which had pieces of highly explosive fuse inside, looked like a harmless package of cookies. [passage omitted] [end recording]

Attempts To Distort Rettig Report Decried

PY1903035091 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 18 Mar 91

[Text] The government has issued a public declaration in view of comments made in the past few days that, in the government's opinion, are designed to distort the truth of the report issued by the Truth and Reconciliation Commission and that it flatly rejects.

The declaration was read by Minister Enrique Correa, who noted that the work carried out by the commission made it possible to definitely clear up any doubts about possible violations of human rights.

Minister Correa referred to President Patricio Aylwin's 4 March speech in which he stated that recognition of that truth is independent of each persons' judgment about political developments of the past, among other things.

Further down, the communique asks some questions about events that are public knowledge and it ends by urging people to accept the dreadful truth since it is only logical and to find paths to prevent similar incidents from happening in the future.

Spain Grants $5.5 Million for Development Projects

PY1603030491 Madrid EFE in Spanish 2350 GMT 13 Mar 91

[Summary] Santiago, 13 Mar (EFE)—Chilean Planning and Cooperation Minister Sergio Molina and Fernando Valenzuela, chairman of the Spanish International Cooperation Agency [Agencia Espanola de Cooperacion Internacional] (AECI), today signed a cooperation agreement for $5.5 million. The Spanish Government has granted this amount to finance three social development projects. One involves 20 development programs for the rural and urban poor, another is aimed at providing agricultural machinery and credit to small farmers in Araucania, especially Mapuche Indian communities, and the third project seeks to improve facilities for technical training.

Colombia

Extraditables Not To Release Kidnapped Journalists

PA1903042191 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 19 Mar 91

[Text] The Extraditables today issued a discouraging communique announcing that they will not release Francisco Santos Calderon or Maruja Pachon, that they are not exerting pressure on the Constituent Assembly, and that they have executed paramilitary leaders.

In their nine-point communique, the Extraditables state: We are not being sought to be extradited, but to be murdered. The Extraditables warn that if their colleagues continue disappearing, they will execute Francisco Santos and Maruja Pachon.

The Extraditables also state in their communique that they have declared themselves in a state of alert and that for each one of them who is eliminated, they will carry out attacks on the country's main cities.

The Extraditables claim in their communique that there is an alliance between the Administrative Department of Security, the Elite Police, and paramilitary groups, thus confirming that a war has been going on in Magdalena Medio for months.

The Extraditables also claim that in the context of that war, they executed the main paramilitary leaders of Puerto Berrios and Caucasia a few days ago. They also said that they are not interested in exerting pressure on the Constituent Assembly.

[Begin recording] [Unidentified journalist] What is your opinion about the communique issued by the Extraditables?

[Unidentified speaker] I find it very contradictory to violate human rights and to hold people captive allegedly to denounce human rights violations. [end recording]

[Paris AFP in Spanish at 2318 GMT on 18 March in a similar report notes: "In the communique sent to the Medellin media, the Extraditables warn that 'for each colleague of ours who is tortured or eliminated, we will detonate 1,000 kg-bombs in Colombia's main cities.'"]

Paraguay

Rodriguez Comments on Attack on Reporters

PY1503212191 Asuncion ABC COLOR in Spanish 15 Mar 91 p 7

[Report from Bella Vista, Itapua Department, by special correspondents Desiderio Escobar Franco and Raul Gonzalez]

[Text] President Andres Rodriguez expressed here today his concern over an incident that occurred on 11 March at an airfield owned by former Ciudad del Este Mayor

Carlos Barreto Sarubbi, whose employees attacked reporter Hector Guerin, ABC COLOR correspondent in Ciudad del Este. On 13 March, a delegation of congressmen were not allowed to enter the airfield and were intimidated by employees who were "looking after" the landing strip.

Commenting on the incident, President Rodriguez yesterday rejected these actions. He said: "You are well aware of my policy of granting security and guarantees to both international and local press reporters." We should note that the Inter-American Press Association (IAPA) had sent a note to Rodriguez in which they convey their concern over the incident that took place at the airfield.

Asked about the IAPA note, Rodriguez said that he is also concerned about the reported incident. He added: "Press workers must enjoy full guarantees to express their opinion and to exercise their legal activities without problems in disseminating the news."

Asked if his government will take any action about the incident, the president said his government is determined to investigate it. He said he is interested in finding out "who was involved in this action, which we deeply regret."

Rodriguez said: "We have to investigate, we have to investigate." He added that this action against a reporter is unjustifiable. He rejected any attempt to forcibly pursue "our own interests."

Rodriguez announced that he will appoint a committee of Finance Ministry officials to inspect the airfield and to check the source of the merchandise. He said that this action will determine the source of any merchandise found there and if all legal steps were taken to introduce it in the country. He warned that the owner—in this case, Barreto Sarubbi—will be held responsible for it. He reiterated that he would like to know if the merchandise was legally introduced into the country, adding that the responsibility for taking the merchandise out of the country rests with those involved.

Enrique Paez Appointed Central Bank President

PY1803231491 Asuncion ULTIMA HORA in Spanish 18 Mar 91 p 13

[Excerpt] Jose Enrique Paez has been appointed president of the Paraguayan Central Bank [BCP], replacing Crispiniano Sandoval who resigned. The new members of the board of directors are Reinaldo Penner Braun, Ovidio Otazu, Hugo E. Caballero, and Jacinto Estigarribia.

Jose Enrique Paez, presently head of the National Development Bank, is the new Central Bank president, just as we predicted on 12 March.

Paez' nomination was approved without discussion during a special session of the State Council this morning. The council also approved the nominations of Reinaldo Penner Braun; Hugo E. Caballero, current Banks Superintendency director; Jacinto Estigarribia; and Ovidio Otazu, who is responsible for the BCP Department of Economic Studies, as the new BCP directors.

Former BCP president Crispiniano Sandoval and former BCP directors Federico Mandelburger, Marcos Lezcano, Ramon Perez Caceres, and Carlos Knapps have therefore been relieved of their duties. They had all submitted their resignations following news reports about serious irregularities in the administration of the bank. [passage omitted]

Peru

New Health Minister Takes Oath of Office

PY1803193091 Lima RTP Television Network in Spanish 1818 GMT 18 Mar 91

[Text] [Announcer] This is a direct report from the Golden Hall of Government House, where the new health minister is taking the oath of office.

[Unidentified official, in progress] ...Health Minister Carlos Vidal Layseca, thanking him for his valuable service to the nation. It is so ordered.

[Announcer] Peruvian President Alberto Fujimori will now administer the oath of office to Dr. Victor Yamamoto Miyakawa, who will take over as the new health minister. Dr. Victor Yamamoto, 48, is a pediatrician who graduated from the Greater University of San Marcos. He took postgraduate courses in Japan and served as deputy director of the Cayetano Heredia Hospital. He is currently teaching at the Greater University of San Marcos and holds the post of director of the Jesus Maria Polyclinic.

[Unidentified official, in progress] ...Peruvian Constitution, it is hereby decided to appoint Victor Yamamoto Miyakawa as the new health minister. It is so ordered. Signed by the president of the nation and the chairman of the council of ministers.

[Fujimori] Dr. Victor Yamamoto: Do you swear by God and the Holy Bible to serve loyally and faithfully as minister of state in charge of the health portfolio which I hereby entrust to you?

[Yamamoto] I do.

[Fujimori] Should you do so, may God reward you. If you do not, may you answer to Him and the fatherland. [applause]

[Announcer] Thus, Dr. Victor Yamamoto Miyakawa is the new health minister, replacing Dr. Carlos Vidal Layseca. This has been a direct relay from Government House, where many public officials and friends and relatives of the new ministers have gathered. The other members of the cabinet are now greeting their new colleague. Dr. Yamamoto Uyakawa is a pediatrician with 25 years of experience.

Fujimori on Drug Agreement With United States

PY1903033291 Lima RTP Television Network in Spanish 0100 GMT 19 Mar 91

[Impromptu news conference by President Alberto Fujimori in Government House on 18 March]

[Excerpt] [Begin recording] [passage omitted] [Unidentified reporter] Mr. Hernando de Soto has published a letter in some newspapers stating that the U.S.-Peruvian agreement on the struggle against drug trafficking is almost ready. When will the document be signed, Mr. President?

[Fujimori] As I said a few days ago, it will probably be signed this month. This is being coordinated by the foreign minister and we would like to reveal to some sectors, especially the political leaders and the media, some of its parts so the agreement is fully understood.

[Reporter] Apparently the coca producers do not agree with this agreement.

[Fujimori] Some sectors, probably due to a lack of correct information, do not agree with it. This is why it is necessary to reveal some of its key points to the public. Of course, the complete agreement is not known by the public. The media has only published some initial drafts. [end recording]

Minister Explains Details of New Labor Law

PY1603175291 Lima RTP Television Network in Spanish 0100 GMT 15 Mar 91

[Excerpts] Labor Minister Alfonso de los Heros today provided important details about the extension of the labor stability law. He stressed that workers now have access to credit through this law. They will be able to obtain credit as soon as they deposit their compensation funds in financial institutions.

[Begin recording] [De los Heros] First, Law No. 24514, the labor stability law, has not been modified. This is mandatory. Remember that in 1986, a commission headed by former Minister Carlos Blancas partially set up Law No. 24514. We have completed the regulation in order to grant labor security by law to both employers and employees. Nothing has been changed. [passage omitted]

[Unidentified reporter] Can we talk about the new compensation system for time in service, which is a topic of this law that went almost unnoticed?

[De los Heros] I think this is a system that greatly favors the workers. In the past, there was a compensation fund that served the employer as working capital exempt from interest payments. The criteria for this has been modified. A new compensation system has been established to which the employer must contribute twice a year. It has several advantages. The first advantage of this system is that the worker can rest assured that the local or foreign currency he deposits in a bank or in any other financial institution remains in his name and earns interest. It also prevents large compensation funds from harming the stability of the enterprise and ensures workers are not deprived of their benefits. We know that in the past few years many enterprises have secretly closed and not given social benefits to workers. Under the new system workers will have the money in their hands; if the enterprise goes bankrupt, workers will not lose the social benefits. [end recording]

Venezuela

Perez, Gaviria Sign Seven Bilateral Agreements

PA1703044691 Bogota Radio Cadena Nacional in Spanish 1200 GMT 16 Mar 91

[Report by special reporter Jairo Ernesto Tarazona]

[Text] President Cesar Gaviria and Carlos Andres Perez have signed seven important bilateral agreements during Gaviria's second official visit to Venezuela.

At the end of a news conference held by the two leaders, the presidents of the two countries reported the signing of the following agreements which will further strengthen the ties between the two nations: Colombian-Venezuelan Letter of Understanding for the Integration of towns in Tachira State and border cities in Norte de Santander Department; Agreement for the Protection of Children; Agreement for the Strategic Design of [word indistinct] Integration; a Letter of Understanding on Air Transportation, stressing the implementation of an open-sky policy between the two nations; Agreement on the Adjustment of Telephone Rates between Colombia and Venezuela; Agreement for Cooperation and Coordination To Export Colombian Flowers; and the exchange of basic documents for Technical and Scientific Cooperation signed in 1989.

It was also reported that President Perez will pay an official visit to Colombia in May.

In addition, it was reported that President Gaviria will end his official visit to Venezuela today. During this visit, progress was made in the efforts for the economic integration of the two countries and the solution of bilateral problems that were pending.

Gaviria and Perez had the opportunity to exchange views several times during the official visit.

The Colombian president participated in a special session of the Venezuelan Congress where he called for the continuation of the Latin American integration process and referred to the progress made in the struggle against drug trafficking, as well as in the pacification of rebel groups.